

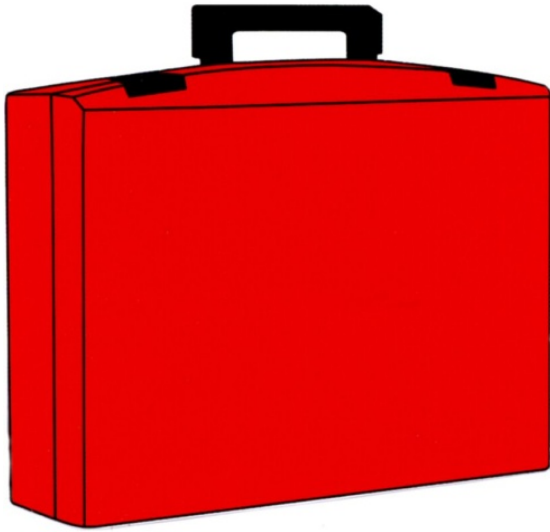
O-309-09

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NUMBER M805947

BY HILTI AKTIENGESELLSCHAFT

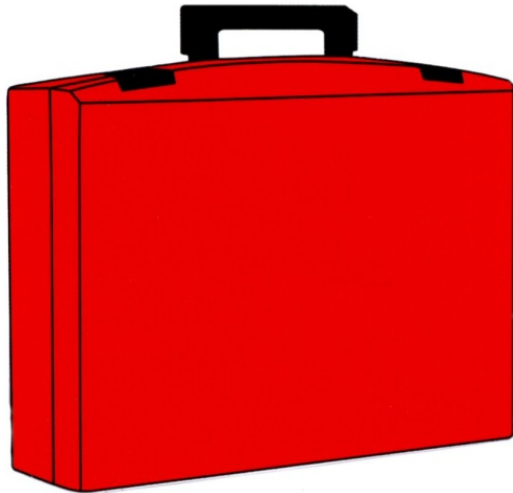
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**THE TRADE MARKS (INTERNATIONAL REGISTRATION) ORDER 1996
IN THE MATTER OF INTERNATIONAL REGISTRATION No 805947
AND THE REQUEST BY HILTI AKTIENGESELLSCHAFT
TO PROTECT A TRADE MARK IN CLASSES 7, 8, 9 and 20**

Background

1. On 12 February 2003, Hilti Aktiengesellschaft, zH Patentabteilung, Postfach 333, Feldkircher Strasse 100, FL-9494 Schaan (Lichtenstein) on the basis of International Registration 20020829 requested protection in the United Kingdom under the provisions of the Madrid Protocol of the following mark:



The colour claimed is Red (RAL 3020)

2. Protection is sought in respect of:

Class 6 - Containers of metal for storing and transport.

Class 7 - Equipment driven electrically, by compressed air, by expanding gases or by combustion force, such as bolt, nail and clamp fixing tools, screwing tools, drilling tools, hammer drills, chipping hammers, separating tools, sawing tools, slot making tools, grinding tools, more especially for working with stone, concrete, masonry, plastic material and wood; cases adapted to contain equipment driven electrically, by

compressed air, by expanding gases or by combustion force, such as bolt, nail and clamp fixing tools, screwing tools, drilling tools, hammer drills, chipping hammers, separating tools, sawing tools, slot making tools, grinding tools, more especially for working with stone, concrete, masonry, plastic material and wood; equipment for mixing and applying liquid, pasty or solid substances; cases adapted to contain equipment for mixing and applying liquid, pasty or solid substances.

Class 20 - Containers not of metal for storing and transport.

3. It was considered that the request failed to satisfy the requirements for registration in accordance with Article 3 of the Trade Marks (International Registration) Order 2008 and notice of refusal was given because the mark is excluded from Registration by Section 3(1)(b) & (c) of the Trade Marks Act 1994. This is because the mark consists exclusively of a red container which is devoid of any distinctive character being a sign which may serve, in trade, to designate the kind and intended purpose of the goods e.g. goods which are used to hold or transport, or goods sold in such containers.

4. After a number of extensions of time evidence of use was submitted with a view to overcoming the objection on the basis of distinctiveness acquired through use.

The Evidence

5. A witness statement was submitted on 14 October 2005. This was completed by Roland Wildi, the Senior Vice President of the Corporate Intellectual Property Division of Hilti Corporation. Details were given of trading area, turnover and advertising figures, together with literature in the form of promotional literature and brochures.

6. The evidence was rejected on the basis that, although the sales and advertising figures are high, the mark has only ever been used in conjunction with the more dominant trade mark, namely the word HILTI, and that there was nothing to show that the mark applied for is seen in the market place as a badge of origin. The

exhibits showing the mark in use were in the form of the applicants catalogues, bound in red and displaying the prominent trade mark HILTI. The goods displayed within the catalogue included that of the mark but they all displayed the trade mark HILTI in a prominent position on the goods.

7. On 19 May 2006 the agent submitted a translated copy of the decision of the Board of Appeal in respect of an identical mark submitted to OHIM. The Board of Appeal accepted the mark on the basis of distinctiveness acquired through use. The examiner did not consider that this helped and the objection was maintained.

8. Further time was allowed for the agent to submit additional evidence and survey evidence was filed on 24 July 2006 and 1 October 2007. One hundred questionnaires were sent to companies. They had received 21 responses. (Please see Annex A to see an example of the questionnaire). 17 of the responses recognised the mark as that of the applicant. They requested further time to submit further evidence, however before any further evidence was submitted the agent requested a hearing.

The Hearing

9. On 1 February 2008 a hearing took place between Mr Grimshaw of the agents and the hearing officer Alan Pike. Mr Grimshaw pointed out that the specification was likely to be limited to rotary hammers. Although, in reality, the goods are aimed at professional users, the Hearing Officer considered that rotary hammers are essentially hammer drills which exist in most households. The objection was maintained and time was allowed for further evidence to be filed.

Further correspondence

10. After the hearing, and before refusal of the application, correspondence took place between the agent and the Registry. It was put forward by the agent that rotary hammers above a certain weight are not made available to the general public through DIY outlets and they envisaged seeking registration in respect of rotary hammers with a weight in excess of 6kg. The Hearing Officer did not agree that the

weight qualification removed the general public as potential customers of the applicant.

11. On 30 June 2008 the agent informed the Hearing Officer that an identical mark had been filed at OHIM and the mark had been objected to (APPLICATION NUMBER 3424661). After considering evidence of use OHIM were prepared to accept the application. A translated copy of the Board of Appeal Decision, together with copies of the evidence submitted to OHIM in relation to the Community Application was received on 11 February 2009. The Hearing Officer did not agree that this enabled him to waive the objection in the United Kingdom. Although the OHIM Board of Appeal considered that there had been sufficient use of the mark throughout the European Territories the Hearing Officer did not consider that there had been sufficient use in the United Kingdom essentially nothing in the evidence showed that the average consumer would see the shape of a red case as indicating trade origin or that the applicants had actively promoted the shape as indicating trade origin.

12. On 8 June 2009 a notice of refusal was issued.

The Prima Facie Case

13. The grounds for refusal are Section 3(1)(b) & (c) which reads:

“3.-(1) The following shall not be registered –

(b) trade marks which are devoid of any distinctive character,

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,”

Section 3(1)(c)

14. In a judgement issued by the European Court of Justice on 23 October 2003, *Wm. Wrigley Jr. Company v. Office for Harmonisation in the Internal Market (Trade*

Marks and Designs) (OHIM), Case - 191/01 P, (the DOUBLEMINT case), the Court gives guidance on the scope and purpose of Article 7(1)(c) of the Community Trade Mark Regulation (equivalent to Section 3(1)(c) of the Trade Marks Act). Paragraphs 28 - 31 of the judgement are reproduced below:

“28. Under Article 4 of Regulation No 40/94, a Community trade mark may consist of signs capable of being represented graphically, provided that they are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

29. Article 7(1)(c) of Regulation No 40/94 provides that trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographic origin, time of production of the goods or of rendering of the service, or other characteristics of the goods or service are not to be registered.

30. Accordingly, signs and indications which may serve in trade to designate the characteristics of the goods or service in respect of which registration is sought are, by virtue of Regulation No 40/94, deemed incapable, by their very nature, of fulfilling the indication-of-origin function of the trade mark, without prejudice to the possibility of their acquiring distinctive character through use under article 7(3) of Regulation No 40/94

31. By prohibiting the registration as Community trade marks of such signs and indications, Article 7(1)(c) of Regulation No 40/94 pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics of goods or services in respect of which registration is sought may be freely used by all. That provision accordingly prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (see, inter alia, in relation to the identical provisions of article 3(1)(c) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of Member States relating to trade marks (OJ 1989 L 40, p. 1), *Windsurfing Chiemsee*, paragraph 25, and

Joined Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECR I-0000, paragraph 73).

15. Section 3(1)(c) of the Act excludes signs which may serve, in trade, to designate the kind of goods or other characteristics of goods. It follows that in order to decide this issue it must first be determined whether the mark designates a characteristic of the goods in question. I can see no reason why a shape of this type cannot do that. I consider my view to be supported by two cases before the European Court of Justice involving Henkel. These are Cases Henkel KGaA v Deutsches Patent-und Markenamt (C-218/01) and Henkel KGaA v Office for Harmonisation in the Internal Market (C-456/01). The former is a preliminary reference from a German court seeking the court's guidance on the applicability of Article 3(1)(b) and (c) of the Directive (which correspond to Section 3(1)(b) and (c) of the Act) to shapes consisting of the packaging of goods. The question was asked if the packaging of goods of a three-dimensional shape may serve to designate the quality of a packaged product within the meaning of Article 3(1)(c). The answer given by the Court was:

Article 3(1)(c) of the Directive does not exclude the possibility that a trade mark which consists of a packaging of a three-dimensional shape assimilated to the shape of the goods may serve to designate certain characteristics of the goods thus packaged. Whilst it might be difficult to identify such characteristics, the possibility that the packaging might describe the characteristics of the product, including its quality, cannot be ruled out.

16. Here I consider the mark to be objectionable under Section 3(1)(c) as the mark consists of a characteristic of the good i.e. the mark is simply the shape of a non distinctive functional carrying case, such goods being included in the list of goods.

Section 3(1)(b)

17. The requirement to avoid the prohibition under Section 3(1)(b) is that the shape must enable the relevant public to distinguish the product concerned as originating from one undertaking and to distinguish it from the products of other undertakings without such consumers having to undertake an analytical or comparative examination of the mark and without them having to pay particular attention. Any shape must therefore be more than a simple departure from the norms and customs of the sector. It must represent a significant departure from such norms. Further, in assessing the extent to which the shape of the goods departs from such norms and the impact this is likely to have on the relevant public, one is required to bear in mind that average consumers are not in the habit of making assumptions about the origin of goods based upon their shape in the absence of any graphic or word element.

18. Cases C-218/01 and C-456/01 referred to in paragraph 15 above gave guidance on Section 3(1)(b) by its second question, the national court asks whether, for three-dimensional trade marks consisting of the packaging of goods which are generally packaged in trade, their distinctive character within the meaning of Article 3(1)(b) of the Directive depends on whether an average consumer who is reasonably well informed and reasonably observant and circumspect is able, even without conducting an analytical or comparative examination and without paying particular attention, to recognise the characteristic features of the three-dimensional trade mark applied for, which differ from the norm or custom in the sector, so that they are capable of distinguishing the goods concerned from those of other undertakings.

The court's response, at paragraphs 49-53, stated that:

48. According to the case-law of the Court, for a mark to possess distinctive character within the meaning of Article 3(1)(b), it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from products of other undertakings (*Linde and Others*, paragraph 40).

49. It follows that a simple departure from the norm or customs of the sector is not sufficient to render inapplicable the ground for refusal given in Article 3(1)(b) of the Directive. In contrast, a trade mark which significantly departs from the norm or customs of the sector and thereby fulfils its essential origin function is not devoid of distinctive character.

50. That distinctive character of a trade mark within the meaning of Article 3(1)(b) must be assessed by reference, first, to the goods or services in respect of which registration is sought and, second, to the perception of the relevant persons, namely the consumers of the goods or services. That means the presumed expectations of an average consumer who is reasonably well informed and reasonably observant and circumspect (see, to that effect, Case C-210/96 *Gut Springenheide and Tusky*, paragraph 31, *Philips*, paragraph 63, and *Linde and Others*, paragraph 41).

51. The competent authority must therefore undertake a specific assessment of the distinctive character of the trade mark at issue, referring to the perception of the average consumer as defined in paragraph 50 of this judgement, in order to verify that it fulfils its essential function, namely that of guaranteeing the origin of the product.

52. In any event, the perception of the average consumer is not necessarily the same in the case of a three-dimensional trade mark, consisting of the packaging of a product, as it is in the case of a word or a figurative mark which consists of a sign that is independent from the appearance of the goods it denotes. Average consumers are not in the habit of making assumptions about the origin of goods based on the shape of their packaging, in the absence of any graphic or word element, and it could therefore prove more difficult to establish distinctive character in the case of such a three dimensional trade mark than in the case of a word or figurative mark (see, to that effect, *Linde and Others*, cited above, paragraph 48, and, as regards a mark consisting of a colour, Case C-104/01 *Libertel* [2003] ECR I-3793, paragraph 65).

53. In view of the foregoing considerations, the answer to the second question must be that, for three-dimensional trade marks consisting of the packaging of goods which are packaged in trade for reasons linked to the very nature of the product, their distinctive character within the meaning of Article 3(1)(b) of the Directive must be assessed by reference to the perception of the average consumer of such goods, who is reasonably well informed and reasonably observant and circumspect. Such a trade mark must enable such a consumer to distinguish the product concerned from those of other undertakings without conducting an analytical or comparative examination and without paying particular attention.

19. In the later case, C-456/01, the court applied similar reasoning in upholding a judgement of the Court of First Instance refusing the registration of trade marks consisting exclusively of the shape and appearance of certain dishwasher tablets.

20. I consider the view taken by the hearing officer in relation to the average consumer for the goods in question to be correct. He considered they are likely to be both the trade and the general public, neither of which are likely to be in the habit of making assumptions on the origins of goods based on devices of their packaging. Although restricting the product to a particular weight may shift the potential market to the more professional users who are likely to require more robust items, this does not exclude the general public. In the circumstances I therefore find that the mark in question is *prima facie* debarred from registration by Section 3(1)(b) & (c) of the Act, because the mark is simply a non distinctive shape of a case.

The case for acquired distinctiveness

21. The guiding principles to be applied in determining whether a mark has become distinctive through use are to be found in *Windsurfing Chiemsee Produktions v Huber* [1999] E.T.M.R. 585.

“51. In assessing the distinctive character of a mark in respect of which registration has been applied for, the following may also be taken into

account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations.

52. If, on the basis of those factors, the competent authority finds that the relevant class of persons, or at least a significant proportion thereof, identify goods as originating from a particular undertaking because of the trade mark, it must hold that the requirement for registering the mark laid down in Article 3(3) of the Directive is satisfied. However, the circumstances in which that requirement may be regarded as satisfied cannot be shown to exist solely by reference to general, abstract data such as predetermined percentages.”

22. I also bear in mind Morritt LJ's observation in *Bach and Bach Flower Remedies Trade Mark* [2000] RPC 513 at para 49 stating that:

“..... use of a mark does not prove that the mark is distinctive. Increased use, of itself, does not do so either. The use and increased use must be in a distinctive sense to have any materiality.”

23. The question has to be whether the use generates customer recognition of the sign as an indicator of trade origin.

The initial evidence

24. The initial evidence submitted included a witness statement which showed that sales figures of the goods sold under the mark are substantial (the UK turnover in 2002 was in excess of £16,000,000). But has the use been 'material' in terms of transforming the shape of the goods to an indication of origin recognised by the average consumer? The literature provided, in the form of the applicant's brochures and promotional material, show that the goods have the trade mark HILTI prominently placed upon them. There was nothing in the evidence to show that the

applicants have promoted the shape of the goods as an indicator of trade origin and the examiner did not consider the mark had become distinctive because of the use made of it.

Survey Evidence

25. The agent then submitted survey evidence. A questionnaire was sent to 100 companies. 21 of those contacted responded, of which 17 indicated that they recognised that where the colour was used in relation to tools (or related goods) – the goods originated from Hilti. The agent claims that this is an 81% recognition rate which is “impressive”. However the response rate was not high. In view of the poor response rate to the survey, the examiner did not consider there was sufficient to indicate that the average consumer would consider the shape of a red case to indicate the trade source of the goods and he maintained the objection.

Acceptance at OHIM

26. The identical mark has been accepted at OHIM (3424661) on the basis of distinctiveness acquired through use at the first Board of Appeal. Decisions of other national tribunals/courts within the EU may be of persuasive value in determining the registrability of a particular trade mark. This has been affirmed by the ECJ in *Henkel KGaA v Deutsches Patent und Markenamt* (C-218/01) where it was stated that:

“ The fact that an identical trade mark has been registered in one Member State for identical goods or services may be taken into consideration by the competent authority of another Member State among all the circumstances which that authority must take into account in assessing the distinctive character of a trade mark, but it is not decisive regarding the latter’s decision to grant or refuse registration of a trade mark. On the other hand, the fact that a trade mark has been registered in a Member State for certain goods or services can have no bearing on the examination by the competent trade mark registration authority of another Member State of the distinctive character of a similar trade mark application for registration of a similar mark for goods or services similar to those for which the first mark was registered.”

27. The evidence submitted to OHIM confirmed that there has been considerable turnover generated throughout the EU countries and in certain areas (Germany for example) advertising expenditure was considerable. This may have led the Board of Appeal to accept the mark on the basis of distinctiveness acquired through use. I do not think that this shows that the average consumer, who could be the trade but also the general public, in the United Kingdom recognises the mark as indicating trade origin.

Conclusion

28. I have concluded that the mark applied for will not be identified as a trade mark without first educating the public that it is a trade mark and that the evidence submitted has failed to do this. I therefore conclude that the mark applied for is devoid of any distinctive character descriptive of the goods and is excluded from prima facie acceptance under Section 3(1)(b)& (c) of the Act.

29. In this decision I have considered all the documents filed by the applicant and all the arguments submitted to me in relation to this application and, for the reasons given, it is refused under the terms of Section 37(4) of the Act because it fails to qualify under Section 3(1)(b) of the Act.

Dated this 6th day of October 2009

**Linda Smith
For the Registrar
The Comptroller-General**

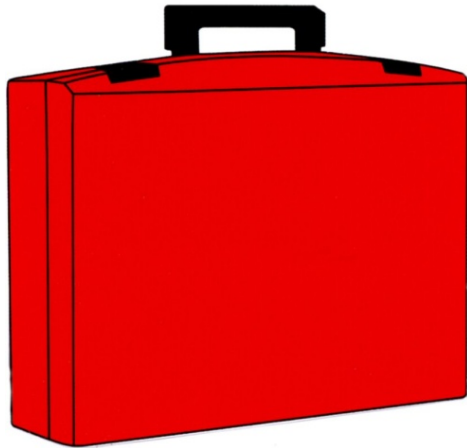
SAMPLE QUESTIONNAIRE

Name -----

Company -----

Position in Company -----

Please look at the trade mark shown below



- i) a) Would you consider the use of this trade mark in relation to tools (or related equipment) to indicate that they originate from any particular company

- b) If so which company

- ii) How long have you known of this trade mark

- iii) Do you feel that use of this trade mark in relation to tools (or related equipment) by a different company to that named above would be likely to cause confusion to consumers?

- iv) What specific type of products do you associate with this mark?