

O/138/15

IN THE MATTER OF THE TRADE MARKS ACT 1994

-and-

IN THE MATTER OF REGISTRATION NO. 2316187

OF THE TRADE MARK



AND

IN THE MATTER OF REGISTRATION NO. 2324905

OF THE TRADE MARK



BOTH IN THE NAME OF MULTIBRANDS INTERNATIONAL LIMITED

AND THE CONSOLIDATED APPLICATIONS FOR REVOCATION THEREOF

UNDER NOS. 500018 AND 500019

BY THE METHOLATUM COMPANY

APPEAL TO THE APPOINTED PERSON FROM THE DECISION OF MS JUDI

PIKE, HEARING OFFICER, ACTING ON BEHALF OF THE REGISTRAR OF

TRADE MARKS DATED 28 MAY 2014

DECISION

Introduction

1. This is an appeal from the Decision of the Hearing Officer, Ms Judi Pike, revoking two device marks owned by Multibrands International Limited ('the Proprietor'). The marks in question are as follows:

(a) No. 2316187



registered as of 14 November 2002 (the registration procedure being completed on 13 June 2003) in class 3 for *cosmetics*.

(b) No. 2324905



registered as of 26 February 2003 (with an effective date of registration of 8 August 2003) in class 5 for *treatments for chapped and dry, cracked lips in the form of sticks*.

2. The Applicant for revocation alleged that neither mark had been used at all from the date of registration. Revocation was sought under s46(1)(a) and 46(1)(b).
3. The Proprietor alleged in its Counterstatement that the marks had both been used, relying specifically on s46(2) of the Trade Marks Act 1994:

For the purpose of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered...'

4. The Proprietor filed evidence of use in the form of a witness statement from its Sales Director, Rizwana Haider. This stated in ¶4 that the

evidence she was providing was *'a representative sample of the large volume of use which has been made of the 187 Mark and the 905 Mark and has been prepared in a manner which is proportionate to the expense of obtaining it.'* I am not sure what the second half of that sentence was intended to mean, but the evidence certainly did not show any signs of having been either prepared or obtained at great expense.

5. The substance of her evidence was an exhibit, RH1, comprising a number of documents, explained in ¶¶5(a)-(e) of her statement. It may be summarised as follows:
 - (i) 10 invoices from various dates between 2008 and 2013 for what appear to be small quantities of 'LIPICE' products including 'LIPICE LIP BALM ANTI-WRINKLE', 'LIPICE LIP BALM PINK GLOSS', 'LIPICE LIP BALM ORIGINAL', 'LIPICE CHERRY TOUCH', 'LIPICE FOR MEN', 'LIPICE INTENSE CARE'. The invoices are addressed to a variety of recipients, mostly in the UK but also including one in Portugal and one in Gibraltar.
 - (ii) 10 pages said to show *'advertising used by Multibrands to promote its LIPICE product in the UK'*. The pages appear to have been compiled for the purpose of the proceedings. They include what is identified as a 'Poster, November 2007', 'Poster (Arabic) January 2010', 'Advertising – Web Site October 2007', 'TV Advertising 2008' and various advertising apparently aimed at the trade. The advertising all shows packaging of 'LIPICE' lip balm sticks in various colours. Each colour appears to represent a different style of stick. Thus blue represents LIPICE Original, pink LIPICE Pink Sheen Lip Gloss, red LIPICE Strawberry and so on.

- (iii) 20 pages apparently showing pages from Multibrands website obtained from the 'Waybackmachine' internet archive, the pages dating from 2008-2013. These refer to a number of the products already mentioned. Most of the pictures which were originally on these pages seem to have been lost in the archiving process, but the later pages from 2012 show pictures of packaging of lip balm sticks which are similar to what is shown in the other material in the exhibit.
- (iv) 2 more pages from the Waybackmachine including a link to a Youtube video appearing to advertise LIPICE Original, from 2010.
- (v) 7 pages from what is described as '*an independent blog called The Chap British Grooming Junkie*' said to be posted in January 2011. This blog posting seems to be little more than an advertising vehicle for a number of LIPICE products, including LIPICE for Men, LIPICE Strawberry Touch and LIPICE Suncare. The pictures of the packaging of those products are similar to those appearing elsewhere in the exhibit.

6. The Applicant for revocation took two points on what had been submitted:

- (i) They contended that the evidence of use was so poor that one simply could not conclude (the burden of proof being on the Proprietor) that there had been genuine use of any version of the trade marks in the UK. In this respect, they pointed to the obscurity as to the destination of the products which were the subject of the invoices, the lack of evidence of the popularity of the website in the UK, the absence of any sales figures and the absence of evidence of advertising to the public. They further complained that no attempt had been made to distinguish in

terms of use between products appropriate to the two different classes in which the marks were registered.

- (ii) They contended that insofar as one could tell how the mark LIPICE was being presented by the Proprietor, it differed from both the registered marks in a way which altered the distinctive character of the mark, thus not qualifying as use of the mark under the provisions of s46(2).

The Decision under Appeal

- 7. In her Decision, having set out the facts and the law on genuine use of trade marks, the Hearing Officer stated in ¶13 as follows:

‘The use of the marks has been like this, with little difference in representation between the various exhibits:



The use has not been of the marks in the form in which they are registered:



- 8. She went on to say this:

‘The question to be asked is whether the use that has been made of the marks is use in a form differing in elements which do not alter the distinctive character of the marks in the form in which they are registered. As the two registered marks are effectively identical (there is a colour claim in mark (i)), I will treat them as being the same and will refer to them in the singular.’

9. Having referred to the relevant authorities, in particular Budweiser [2003] RPC 25 and the decisions of Richard Arnold QC as he then was in Nirvana BL O/262/06 and REMUS BL O/061/08, the Hearing Officer identified the necessary task as being (i) to ascertain the differences between the mark as registered and the mark as used; and (ii) to evaluate whether those differences alter the distinctive character of the mark as registered. She noted that in order to answer the second question she would also need to determine the distinctive character of the mark in its registered form.
10. The Hearing Officer carried out the task she had set herself and concluded that the differences between the marks as registered and the mark as used were sufficiently significant to alter the distinctive character of the mark. I summarise her reasoning in short form below:
 - (i) She considered that the distinctive character of the registered mark consisted of a two-word mark comprising the words LIP and ICE. Since the word LIP is not distinctive of products to be applied to the lips, and the word ICE is allusive of products which cool or soothe, the mark had no more than an average degree of distinctive character.
 - (ii) The mark as used comprises a single, invented word, LIPICE. This is a word with which consumers would not be familiar. It could be pronounced ‘Lipeece’ or ‘Lip-ice’. The word as seen conveys no meaning or concept. The same applies aurally if the

word is pronounced 'Lipeece'. There is thus a marked difference from the mark LIP-ICE where the hyphen causes the mark to separate naturally into two well-known words.

(iii) The overall impact of the marks on an average consumer (perceiving the marks as a whole and not proceeding to analyse their various details) would therefore be different. Invented words have a greater distinctive character, and the fact that the words might be pronounced in the same way (which she doubted) did not alter that fact. Furthermore, she noted that these were goods which were likely to be purchased visually.

11. The Hearing Officer therefore upheld the application to revoke the marks. It will be apparent that she did so on the basis of what I have identified as the Applicant's second point, namely that the use did not qualify under s46(2). She did not deal with the Applicant's first point that, even if there had been no material difference in the distinctive character of the marks, the evidence was insufficiently cogent or substantial to justify a finding of genuine use of 'LIP-ICE' in the United Kingdom in the relevant period.

The Appeal and the Respondent's Notice

12. The Proprietor has appealed against the Hearing Officer's Decision. The Applicant for revocation supported the Decision, but also filed a Respondent's Notice on the basis of the 'insufficient evidence' point which the Hearing Officer had not decided. At the hearing before me both parties adopted the position that if I was to reverse the Hearing Officer on the s46(2) point, I should not proceed to decide the 'insufficient evidence' point. They both argued that they were entitled to have that point decided at first instance, so that they would have the right to appeal to the Appointed Person if they lost. As I indicated

at the hearing, I would have been perfectly willing to decide the point myself on the basis of the evidence as filed, and I find it surprising that the parties should consider that it would be a sensible use of time and resources to engage in (potentially) two further hearings in this matter. However, since both parties are agreed, I have taken the view that it would not be right for me to insist on deciding the point.

The issues under Appeal

13. I turn to the matters raised by way of Appeal. Mr Norris, appearing for the Proprietor, makes no criticism of the Hearing Officer's explanation of the law under s46(2). Nor does he attack her application of the law on the basis of the pictorial representations of the marks as set out in ¶¶13 and 20 of her Decision (see ¶7 above). It seems to me that this was a necessary concession. The Hearing Officer's legal approach to the issue cannot be faulted, and her reasoning was perfectly justifiable. Furthermore, a decision under s46(2) is a classic example of the kind of 'multi-factorial' determination which will not be overturned on appeal unless there has been a significant and material error of principle.

14. Mr Norris instead takes issue with the Hearing Officer's approach to the facts, specifically complaining about the particular example chosen by the Hearing Officer as illustrative of his client's usage of the mark LIPICE. As I have said, the representation relied on by the Hearing Officer was the one I have reproduced in ¶7 above - in clear white writing on a plain blue background. She commented in ¶13 that this was how the mark had been used by the Proprietor '*with little difference in representation between the various exhibits.*' The 'white against blue' version chosen by the Hearing Officer seems to have been selected from the heading of one of the advertising sheets from 2008 on which the Proprietor had relied in its evidence. It is worth noting that the mark is used in that form not only on the heading of

the sheet, but also on all the packets of 'LIPICE' (in each of its versions) which are depicted photographically on the sheet.

15. Mr Norris complains that the Hearing Officer was wrong to choose this specific example of use, and wrong to proceed on the basis that there was little difference between the various uses in the evidence. He makes two specific points. First, he avers that, in contrast to what is shown on the 2008 advertising sheet, most of the advertising material shows that the colour used for the background of the word 'LIPICE' varies between the particular products being sold. 'LIPICE Suncare' for example presents the word against a yellow background. 'LIPICE Strawberry' against a red background. The blue background seems to be used consistently only on 'LIPICE Original'. Second, he points to certain examples in the evidence where the word 'LIPICE' is shown with what he called a 'shimmer' or 'greying' effect over the last three letters, thus serving to emphasise the suffix 'ICE'.
16. In the light of that evidence, Mr Norris contends that the Hearing Officer erred at the very first stage in the analysis required by the NIRVANA test: *'33....The first question [in a case of this kind] is what sign was presented as the trade mark on the goods and in the marketing materials during the relevant period'*. He says that the Hearing Officer should have recognised the different presentations of the mark and not made a comparison based on a particular presentation which was not particularly favourable to his client's case.

Determination of the issues under Appeal

17. So far as his 'colour' point is concerned, Mr Norris suggests that if the Hearing Officer had considered the 'LIPICE Strawberry' version which has a red background, then this might have made a difference to the outcome, at least so far as concerns the 187 mark which itself has a red background. I reject this argument for the following reasons:

- (i) There is nothing to indicate that the Hearing Officer considered that the colour of the background against which the marks were displayed made any difference to their distinctive character. She does not mention colour anywhere in her comparison. I believe she was right to take this approach.
- (ii) Nowhere in the evidence or the pleadings before the Hearing Officer was it suggested that colour was of any significance in this case. On the contrary, the pleaded case of the Proprietor was that the distinctive and dominant component of the marks as registered was to *'the aural sign LIP-ICE whereas the minor stylization of the Marks creates a far less striking impression.'*
- (iii) Although the 187 mark is presented against a red background, this does not in my view form a distinctive element of the mark itself. It is simply a block of colour, inherently non-distinctive in itself and playing no part in the mark save to allow the word to be legible when written in white. It may be noted that the description of the mark states *'The applicant claims the colour white as an element of the mark'*. No mention is made of red.
- (iv) The 'red' point would at best only apply to the 187 mark which is limited to class 3 cosmetics, as opposed to *'treatments for chapped and dry, cracked lips in the form of sticks'* which are (as indicated by the 905 registration) in class 5. There is no evidence from which I could sensibly conclude that the 'LIPICE Strawberry' falls in class 3 in any event.

18. Mr Norris's other point, as I have explained at the end of ¶15 above, concerns what was referred to at the hearing before me as the 'shimmer' effect. The Hearing Officer said in ¶22 of her Decision that *'I do not believe that the average consumer will pick out Lip and Ice from*

the way in which the mark is used unless an unnatural dissection process takes place, which is not how the average consumer perceives trade marks. Mr Norris suggests that if the Hearing Officer had properly considered the 'shimmer' effect presentation of the 'LIPICE' mark in use, she would not have been able to make that statement, at least in an unqualified way. The 'shimmer' effect is, says Mr Norris, limited to the 'ICE' part of the word and therefore tends to emphasise a distinction between the first and second halves of the words which makes it more likely that the average consumer would pronounce the word 'LIP-ICE'. This therefore would have undermined the Hearing Officer's conclusion on the difference in distinctive character.

19. I do not consider that the existence of the 'shimmer' effect in some of the presentations of the mark can reasonably be said to vitiate the Hearing Officer's decision under s46(2). I say that for the following reasons:
 - (i) The visual significance of the 'shimmer effect' is very unclear on the evidence. I have the original of the witness statement as filed on behalf of the Proprietor. The exhibit comprises a set of sheets printed out in colour. In many of the pictures of the packaging (such as the one described as 'TV advertising 2008') the 'shimmer effect' does not appear at all. Even where it does appear, it is often so faint as only to be noticeable once you are told to look for it. On those occasions when it can be seen, there is no consistency in appearance. Whether this is an artefact of the printing process or an indication of variations in the actual products is not explained.
 - (ii) No actual examples or samples of real life packaging were put before the tribunal so that the impact (if any) of the 'shimmer effect' might have been properly understood.

(iii) No point appears to have been taken on the significance of the 'shimmer effect' by the Proprietor in the proceedings before the Hearing Officer, and no attempt was made to draw attention to it in the evidence.

(iv) No explanation was given in the evidence as to why some products appeared to show a 'shimmer effect' and some did not. Nor was any attempt made to indicate the proportion of sales of one rather than the other.

20. Section 100 of the Trade Marks Act states as follows:

If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.

21. If a Proprietor wishes to place any significance or emphasis on small details of the way it presents its mark to the public (such as the 'shimmer effect' in this case), it needs to put forward clear evidence from which those details can be properly understood, and properly to draw attention to those details. Having only provided the Hearing Officer with poor printouts from which small details cannot properly be seen, and having neglected to draw the Hearing Officer's attention to the significance of the relevant point, the Proprietor in this case is not in a position to complain that the Decision was made without taking those details into account.

22. Given the way the case was presented to her, and given the inadequacy of the Proprietor's evidence, I consider that the Hearing Officer was entirely correct to proceed on the basis that there were no significant differences in the way the mark 'LIPICE' had been presented by the Proprietor to the public, and she could therefore

make the necessary comparison using any one of the various exhibits which she had been shown.

23. I would add that I do not believe that it would have made any difference to the Hearing Officer's conclusion if the 'shimmer' effect had been pointed out and relied on by the Proprietor. Its impact on the way the trade mark would be read and understood by the average consumer is in my view not particularly significant.

Conclusion

24. For these reasons, I do not consider that the Hearing Officer has erred in principle or that her conclusion is clearly wrong. The necessary requirements for an appellate tribunal to intervene in a decision of an experienced Hearing Officer on a multi-factorial issue such as that raised by s46(2) (as explained in REEF trade mark [2003] RPC 5) have not been met in this case.
25. I therefore uphold the Decision of the Hearing Officer and order that the Proprietor shall pay a further £1,000 towards the Applicant's costs.

IAIN PURVIS QC
THE APPOINTED PERSON

19 March 2015