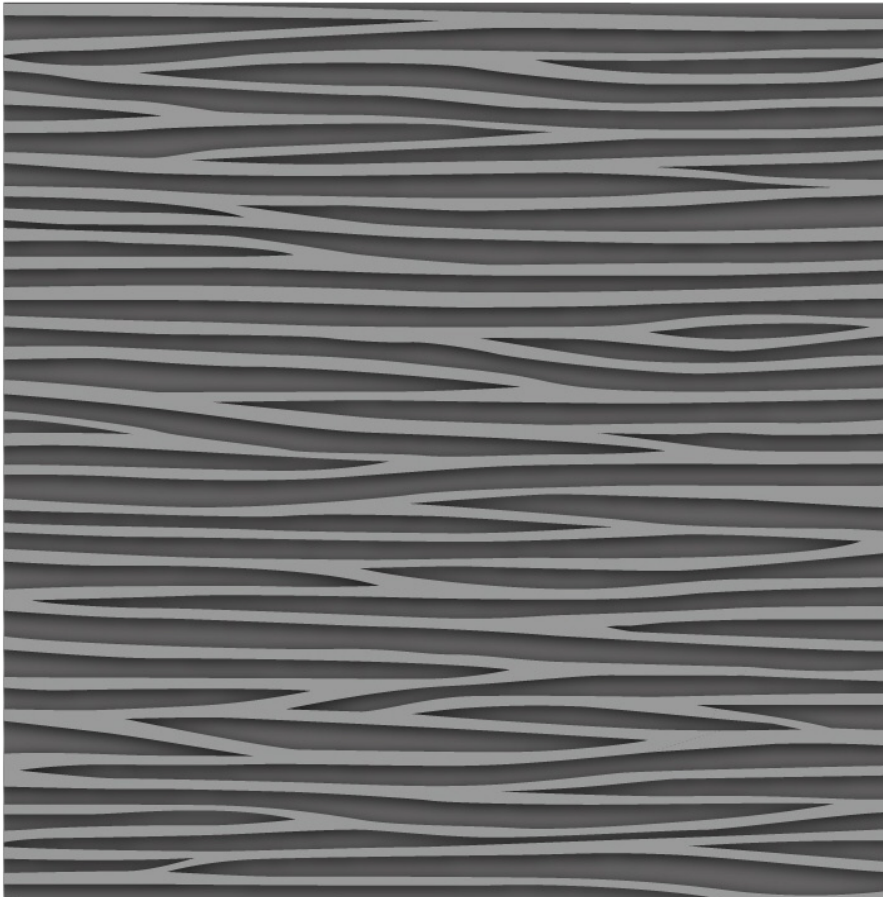


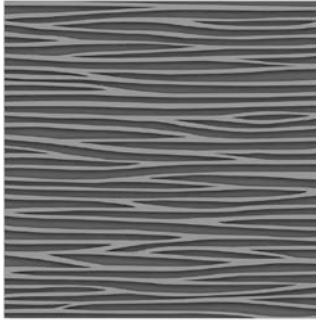
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**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NUMBER 3036557
BY LOUIS VUITTON MALLETIER
TO REGISTER THE FOLLOWING MARK
IN CLASS 9:**



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Background

1. On 3 January 2014, Louis Vuitton Malletier ('the applicant', also 'LV' or 'LVM') applied to register the above trade mark. My statement of grounds refers to the trade mark, variously, as 'the sign', 'EPI leather' or simply, 'EPI'. The specification of goods as originally filed reads as follows:

Class 09: Spectacles, sunglasses, Spectacle frames, spectacle glasses; spectacle cases; telephones, mobile phones, smartphones, digital tablets, personal digital assistants (PDAs) and mp3 players; accessories for telephone, mobile phones, smartphones, tablet devices, PDAs and mp3 players, namely back covers, covers, neck straps or cords; bags and cases adapted for mobile phones and telephone equipment.

2. In an examination report dated 25 January 2014, the Intellectual Property Office ('IPO' or 'Registry') raised an objection as follows:

"Section 3(1)(b)

The application is not acceptable in Class 9. There is an objection under Section 3(1)(b) of the Act as the mark is devoid of any distinctive character. This is because the mark consists of a device of a non-distinctive pattern/background, which would not be seen by the average consumer as a badge of origin."

3. Following two successive extensions of time, the applicant's attorney substantively responded on 23 July 2014. Firstly, and if acceptable, a revised mark description was proposed as follows:

"The mark consists of interleaving ridges and valleys applied to the whole or predominant area of the surface of the goods, being two shades of one colour, the ridges being of a darker shade and valleys of a lighter shade as shown in the representation on the form of application."

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4. In the response, which was also accompanied by annexes in the form of draft evidence, it was contended that:
- The trade mark is figurative and not simply a repeating pattern. There is nothing within the trade mark which indicates it is a decorative pattern only.
 - There is nothing to indicate any link with the goods specified. The 'EPI leather' design trade mark is wholly indicative of the applicant¹.
 - The same trade mark has been accepted for registration by many trade mark offices, some of which date back to 1987.
 - UK trade mark number 1587977 (for the same design) was accepted for registration in the UK in 1998 on the basis of acquired distinctiveness. The goods of this application are a 'natural trading extension' of those for which the design is already registered as a trade mark.
 - In order to be registrable, only a minimum degree of distinctiveness is required.
 - Patterns can indicate origin, as in the case of e.g. Burberry, Fendi, Gucci, and the applicant.
 - The EPI leather line has been in use since 1985. It was developed in response to a perceived need for a durable leather suitable for use in modern travel conditions.
 - The specialist press refers to patterns as being 'trade marks', 'icons' or 'symbols'.
 - In a survey, the majority of people questioned (an average of 56.8%, with a peak of 61%) consisting of men and women aged between 18-64 and from various walks of life in key countries such as France, Germany, Italy, Spain and the UK answered positively to the question "*do you think that a pattern covering the total surface of a leather good article can be associated with a particular brand?*". When the same question was specifically posed to buyers of luxury leather goods, the average percentage of affirmative replies rose to 72.6%. It was submitted that the survey shows that trade marks such as the EPI leather design can, and do in fact, act as indicators of origin.
 - A further selection of articles makes reference to the fame and recognition of the EPI leather design.

¹ The process by which 'EPI leather' is made is explained in Exhibit YC4 to the Declaration of Yves Carcelle, filed on an earlier case, 1587977, and involves the use of a shorter tanning process using mineral (chromium) salts followed by mechanical processes to dry and flatten the hide. The EPI grain itself is then achieved by placing the leather on a press with an engrained metal plate which hot-prints the grain onto the grain side of the hide. The colour is then applied by a roller to create a two tone effect, the second colour being applied only to the grain surface. A transparent protective layer is then applied to protect against abrasions and water. The result is said to provide "exceptional protection against all types of external aggression". The origin of the 'EPI grain' is said to date back to special orders placed during the 1920s.

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- The EPI leather design conveys a particular texture and definition; it is a pattern within a pattern.
 - The presence of infringing and counterfeit articles which imitate the 'ridge and valley' design is evidence that it was considered essential to communicate to the public that the design originated from VUITTON. Without the ridge and valley theme, the imitations would not have been impressively deceptive. The OHIM's Boards of Appeal have indicated that the existence of counterfeits may be helpful in indicating the presence of distinctive character (see e.g. Case R-2272/2010-2 LABOUTIN '*Red Shoe*', a decision which is in French).
 - There is a collection of letters from international associations against counterfeiting saying that the EPI leather design is acknowledged as a trade mark by consumers and competitors alike.
 - The EPI leather design has been promoted and used by the applicant on many items such as bags, trunks, wallets, belts, phone cases and tablet cases. Magazines such as VOGUE, ELLE, GLAMOUR and others have been used for such promotions.
 - The design has also been used in promotional campaigns such as the 'Chic on the Bridge' campaign in May 2013 which was subject to worldwide exposure.
 - It is essential that the applicant acquires a registration in order to combat counterfeit articles which sell for as little as £10, far less than the applicant's goods.
5. These submissions were not accepted by the examiner, and so the case came before me at an *ex parte* hearing on 4 December 2014 where the applicant was represented by Ms Gemma Kirkland of D Young & Co.
 6. At the hearing, formal evidence was submitted which sought to substantiate the claims presented at paragraph 4 above. This took the form of a witness statement dated 28 November 2014 from Marie-Caroline Toussaint of the applicant. The evidence formalises much of the material referred to above which, to date, had only been supplied in draft form. It included as one of its exhibits the aforementioned survey which was conducted in 2011.
 7. The witness statement goes on to exhibit some of the press articles which refer to designer patterns as brands. For example, in a copy of THE RAKE dated January 2014, reference is made to the DAMIER Canvas Check (the subject of another application) as being "*...this iconic pattern...*", whilst in a 2011 copy of VOGUE reference is made to patterns as being "*...monograms and initials used to display distinctive marks*". In a similar vein, a 2010 edition of VOGUE refers to "*...trappings of authenticity, logos and other identity traits appear on bags and accessories*", whilst a 2006 edition of LIBERATION refers to Burberry as being "*...the tartan house (which) has become the symbol of England. A very recognisable brand visually*".

8. The evidence then discusses the origin of EPI leather which was developed in response to a need for durable leather products suitable for use in modern travel conditions. There is also a list of existing EPI trade marks which were first registered in France in 1987.
9. The design is said to have become a permanent signature fixture of the applicant's range of products since the mid 1980s, including bags, trunks, vanity cases, briefcases, wallets, key holders, belts, phone cases and tablet covers. Exhibit 7 shows use on some of the products which have appeared continuously in high-profile fashion magazines such as ELLE, COSMOPOLITAN, VOGUE, GLAMOUR, MARIE-CLAIRE and INSTYLE. The applicant has invested a considerable amount of money on advertising and promotion as follows:

MATERIAL REDACTED

10. The annual turnover for sales of the EPI product range is stated as follows:

MATERIAL REDACTED

11. Further evidence in Exhibit 9 attests to recognition of the EPI leather line, with examples taken from the specialist press such as at www.purseblog.com and www.dmr.st in which the products are affectionately referred to in language such as *"The EPI leather is by far my favourite line... The EPI Alma...is by far one of the most classic and well-received designs by LV over all time"*.
12. The evidence then addresses the need to protect against counterfeiters and infringers. Exhibit 11 comprises details of counterfeited EPI products seized by the applicant dating from 1992 to the present day. These counterfeited products have chosen to imitate the EPI design because it is considered essential (in the applicant's submission) to communicate to the public that they are genuine LVM merchandise. It was also submitted that the counterfeiters have not just imitated the EPI design in a two-dimensional fashion, but have actually created products which adopt the three-dimensional 'ridges and valleys' effect.
13. The evidence concludes by establishing a link between those goods for which the sign is already registered (such as hand bags), and the goods of this application (such as mobile phone cases) which are recognised as being accessories and therefore strongly connected to the earlier already-protected goods. This association is substantiated via reference to advertisements which link the products together, and which encourage the consumer to acquire matching and co-ordinated accessories.
14. Following the hearing, I wrote to the applicant on 5 December 2014 setting out some outstanding issues and giving further directions. Most of the outstanding issues and further submissions are discussed below in the body of my decision, although I should record at this stage that I did make a specific request to be alerted to any new (i.e. not-yet-submitted) evidence of the sign being used by the applicant *without* any other sign such as e.g. 'LV' or 'LVM'. This was because I was concerned that the use of the sign

made by the applicant invariably, or substantially, contained other, more obvious (to the consumer) indicia, such as the letters 'LV'. This is not, apparently, denied by Ms Oliver but it is broadly contended that the letters 'LV' are not as significant as I may have supposed, in comparison with the sign itself in terms of identifying origin.

15. To support this, a further witness statement by Ms Wendy Oliver, a trainee trade mark attorney with D Young & Co, was filed on 1 April 2015.
16. At paragraph 4 of her statement Ms Oliver says that the EPI leather design has been "promoted separately to the goods" as evidenced at Exhibit WO01. These are copies of catalogues and brochures which historically have been made available to customers (either given to customers free of charge or sold) in LVM's UK stores. A relevant extract from the catalogue of 1996/97, which has been cropped slightly but not materially, is shown below:



tannée aux extraits végétaux et teintée en profondeur. Il présente des qualités de résistance et d'imperméabilité.

Louis Vuitton ajoute un rayon de soleil aux six couleurs vibrantes du cuir Epi en créant le jaune Tassili. Doublé de cuir ou d'Alcantara d'un pame éclatant, ce nouveau coloris s'adapte avec brio aux formes dynamiques d'une collection de sacs de ville, pochettes et accessoires coordonnés.

EPI LEATHER

Inspired by the grained leather used by Louis Vuitton in the 1920s, Epi leather is tanned with plant extracts, then deep-dyed. It is water repellent and resists scratches. Louis Vuitton adds a ray of sunshine to the six vibrant colours of Epi leather with the creation of Tassili yellow. Lined in either violet coloured leather or Alcantara, this new colour adapts itself with brilliance to the dynamic shapes of the city bags, pochettes and coordinated accessories.

17. Ms Oliver then notes that the EPI leather design covers all or most of the surface area of the product, and so is visible to the consumer at the point of sale. The extent to which the sign is used on the applicant's products can be seen on its website at www.louisvuitton.com. A number of available items which use the sign have been selected to form Exhibit WO002. The selected products show uniform use of the sign and that the letters 'LV', by comparison with the sign, are said by Ms Oliver to be:

- not easily or instantly distinguishable as 'LV' due to the overlaid form of the two letters;

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- applied to the goods in the same colour as the product and thus not highlighted by way colour contrast;
- positioned discreetly at the bottom of the product i.e. not in a central position which is more easily viewable in general use or at point of sale; and
- significantly smaller in size in comparison to the overall size of the goods.

18. An example taken from the applicant's website and corresponding to one of those exhibited is shown below:



FOLIO IPAD MINI

£450.00

19. By letter dated 11 June 2015 I formally refused the application under section 3(1)(b) of the Act and am now asked to provide a statement of grounds for my decision.

Decision

Preliminary matters

Nature of the sign: graphic representation

20. I did not believe the description offered by the applicant, detailed in paragraph 3 above, is precise enough to comply with the relevant requirements for legal certainty - see, by analogy e.g. Court of Appeal case *Nestlé SA v Cadbury UK Ltd* [2013] EWCA Civ 1174 ('*Cadbury*') paras 49-52.

21. This additional description was thus not accepted by me²; instead I proposed an alternative which has been accepted by the applicant. The alternative description is as follows:

“The mark consists of the surface finish (the grain) of leather products as specified, comprising interleaving ridges (darker shade) and valleys (lighter shade) as shown in the depiction”.

22. This makes it clear that the sign is actually ‘textural’ in nature and form and not, e.g. limited to any specific colour(s). The description above also removes the inherent vagueness in the use of the word ‘predominant’, with which the Court of Appeal had so much difficulty in the *Cadbury* case.
23. In a letter dated 1 April 2015, the applicant accepted my proposal above and so it is adopted with the following consequence as far as the legal submissions by the applicant is concerned.
24. Given this description, it follows, and for the benefit of any doubt, I do not accept the submission that the sign is purely figurative and must be treated as such. In fact, and as stated, the sign is textural in nature and represents a finish applied to the leather from which the products forming the specification are made. It is, then, a characteristic of the products themselves and will be seen as such by the relevant consumer.

***Prima facie* case**

25. By letter dated 1 April 2015, the applicant has conceded the *prima facie* case and thus my decision will only be in respect of the proviso to section 3, as regards acquired distinctiveness.

Effect of prior rights in 1587977

26. The applicant accepts that no imperative on the part of the Registrar arises as a result of its prior registration number 1587977 in respect of goods in class 18.
27. That said, the applicant notes that registration 1587977 was accepted on the basis of acquired distinctiveness in respect of class 18 goods in 1998. Use of the EPI leather design has been continuous since that date, and it is submitted that the distinctive character of the design will have increased consistently as a result of its continued use.
28. Further, the applicant submits that since 1998 portable electronic devices have entered the mass market and that this, in turn, has led to consumers seeking protective cases for such devices which will often have the same aesthetic qualities and be sold through the same trade channels as other fashion items (such as the more traditional bags found in class 18). Any notional difference between the goods of class 18 and those specified by the applicant in class 9 is, says the applicant, so narrow that the strength of the case for acceptance of this application becomes all the more persuasive.

² Despite having been accepted in relation to the earlier case 1587977.

29. For the benefit of any doubt, in this case I accept that the goods are, in fact, closely related to, and a natural trading and aesthetic extension of those goods for which the sign is already registered. I accept, then, that coordinating fashion accessories in the way suggested by the applicant will be important for many consumers and that protective cases for the new electronic products market forms a natural extended 'canvas' onto which established patterns can be applied.
30. But this concession still creates no legal 'imperative', in terms of me being bound by earlier decisions of registration, as far as this case is concerned. Since 1998 there has been, for example, significant clarification, both at national and European level, as to the requirements for acquired distinctiveness. Moreover, it cannot be the case that the Registrar is bound by its own acceptances to the point that it may be obliged to perpetuate its own mistakes.

Specification restriction

31. By letter dated 1 April 2015, the applicant has voluntarily restricted the specification to read as follows:

“Accessories for telephones, mobile phones, smartphones, tablet devices, PDAs and MP3 players, namely back covers, covers, neck straps or cords; bags and cases adapted for mobile phones and telephone equipment.”

This unconditional limitation is accepted.

Curtailement of the application

32. In its letter dated 1 April 2015, the applicant expressly requested that in the event I did not accept the further evidence and submissions, it wanted additional time to respond to any further concerns I may have, or to request a second hearing on the matter with an alternative Hearing Officer. Instead of this, the application has been refused by me and I need to explain exactly why.
33. Although the applicant does not refer specifically to rule 63 of The Trade Marks Rules 2008 as amended, it could be assumed that the basis upon which it has made its request for a further hearing is that rule, which reads:

63.- (1) Without prejudice to any provisions of the Act or these Rules requiring the registrar to hear any party to proceedings under the Act or these Rules, or to give such party an opportunity to be heard, the registrar shall, before taking any decision on any matter under the Act or these Rules which is or may be adverse to any party to any proceedings, give that party an opportunity to be heard.

34. Even on the assumption that a hearing, in accordance with that rule, means an oral hearing (which is, of itself, by no means established), it would be my contention that there has already been one hearing on this case at which draft evidence was available to be discussed and which, in fact, was discussed. That is to say, it is clear from my

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letter of 5 December 2014 that I felt that, amongst other factors, there were gaps in the evidence. This much is clear from the fact I emphasised the value of further evidence relating to use of the sign without any additional distinctive indicators such as, for example, 'LV' or 'LVM'.

35. Notwithstanding, then, that formal evidence in the form of witness statements was only handed up at the hearing and subsequently in response to my letter of 5 December 2014, I believe the burden to offer a hearing, created by rule 63, has been fully discharged in this case.
36. I would add that an applicant who files such an application as this, with the full benefit of legal advice, must be taken to be fully conscious and aware of the legal burden and established principles of showing acquired distinctiveness. There is, then, no surprise in relation to those principles, and therefore the possible or perceived notion that an application such as this is subject to a form of ongoing conversation with the Registrar with the aim of improving that evidence, is not one which finds any favour or support in a case such as e.g. BL O/166/08 *Vibe Technologies Application*, a decision of the Appointed Person at paragraphs [15] and [16].
37. In this case, the Appointed Person, deriving support from the comments of Jacob LJ in *Bongrain's SA's Trade Mark Application* [2005] RPC 14, strongly cautions against overgenerous opportunities to make out a case. Such opportunities have a potentially adverse affect on the public interest since a pending application may act as a real commercial deterrent for the length of time it remains pending, and so it is unfair to allow the applicant more time than is warranted. In this case, the application was filed on 3 January 2014 and it was heard, following rounds of correspondence with the examiner (which included two extensions of time), on 4 December 2014. Following the hearing, a period of two months was provided for response to my own letter of 5 December 2014, and this was extended by a further two months. The application was finally refused on 11 June 2015; thus the overall pendency time has been over 18 months from date of filing. In short, I consider the applicant has had every possible opportunity to make good its case and any further opportunity would seriously undermine the Registrar's responsibility as regards third parties and the public interest.

The substantive issue

Acquired distinctiveness: legal principles

38. Once it is established, as in this case, that the sign coincides with the appearance of a product, it may prove more difficult to establish distinctiveness in relation to such a mark than in relation to a word or figurative mark (see e.g. Case T-202/09 *Ornament* (paragraphs [33]-[41]), and Case C-546/10 P *Shape of a guitar head* (paragraphs [58]-[59])). This is relevant to my analysis below. By 'appearance', I would include features of the product itself which may not just be attractive or obvious to the eye, but also those which are, as in this case, contours or relief capable of being touched or felt.
39. It is also worth pointing out at the outset that the proviso to section 3 based on acquired distinctiveness does not establish a separate right to have a trade mark registered. It allows an exception to, or derogation from, the grounds of refusal listed in section

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3(1)(a) - (d) and as such, its scope must therefore be interpreted in light of those grounds of refusal – see, e.g. case T-359/12 *Louis Vuitton Malletier v OHIM* and case law referred to at para [83].

40. Other relevant principles can be stated as follows:

- Mere evidence of use, even if substantial, does not make the case for acquired distinctiveness.
- If, to a real or hypothetical individual, a word or mark is ambiguous in the sense that it may be distinctive or descriptive, then it cannot comply with the requirements of the Act for it will not provide the necessary distinction or guarantee.³
- It follows that, with regard to the acquisition of distinctive character through use, the identification by the relevant class of persons of the product or service as originating from a given undertaking must be as a result of the use of the mark as a trade mark. The expression ‘use of the mark as a trade mark’ in section 3 refers solely to use of the mark for the purposes of the identification, by the relevant class of person, of the product as originating from a given undertaking⁴.
- The mark must have acquired distinctiveness through use throughout the territory of the UK.
- In assessing whether a trade mark has acquired a distinctive character, the competent authority must make an overall assessment of the relevant evidence, which in addition to the nature of the mark may include (i) the market share held by goods bearing the mark, (ii) how intensive, geographically widespread and long-standing the use of the mark has been, (iii) the amount invested by the proprietor in promoting the mark, (iv) the proportion of the relevant class of persons who, because of the mark, identify the goods or services as emanating from the proprietor, (v) evidence from trade and professional associations and (vi) (where the competent authority has particular difficulty in assessing the distinctive character) an opinion poll. If the relevant class of persons, or at least a significant proportion of them, identifies goods or services as originating from a particular undertaking because of the trade mark, it has acquired a distinctive character⁵;
- The position must be assessed as at the date of application, being 3 January 2014.

³ Both the first two principles are stated in *Bach and Bach Flower Remedies Trade Marks* [2000] 513, paragraphs 49 and 45 respectively. It should also be noted that they have been subsequently modified in e.g. BL O/150/14, ‘*Compare the Market*’, in the sense that the requirement to guarantee origin does not apply to every relevant consumer, as is clear also from *Windsurfing*.

⁴ See e.g. *Societe des produits Nestlé SA v Mars UK Ltd*, (C-353/03 (‘Nestlé’)); *Philips Electronics NV v Remington Consumer Products Ltd* (C-299/99); *Henkel KGaA v Deutsches Patent - und Markenamt* (C-218/01) and also see Case BL O/166/08 *Vibe Technologies* to which I drew attention at the hearing (Para 60 onwards).

⁵ *Windsurfing*, Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECR I-1318 at [23], *Philips v Remington* at [60]-[62], *Libertel v Benelux-Merkenbureau* at [67], *Nestlé v Mars* at [31] and C-25/05P *August Storck KG v Office for Harmonisation in the Internal Market (Storck II)* [2006] ECR I-5719 at [75].

41. It must also be said there was, at the time, a current reference before the CJEU and to which I drew attention at the hearing and in subsequent correspondence. This was made in the case of *Societe des Produits Nestlé SA v Cadbury UK Ltd* [2014] 16 (Ch) ('*Kit Kat*'), and on the question of 'association' or 'reliance', where Arnold J says the following:

46. An issue which has been considered by English courts in a number of cases is whether, having regard to the propositions set out above, it is sufficient to establish that a trade mark has acquired a distinctive character that at the relevant date a significant proportion of the relevant class of persons recognise the mark and associate it with the applicant's goods in the sense that, if they were to be asked who marketed goods bearing that mark, they would identify the applicant (whether expressly or impliedly e.g. by reference to some other trade mark used by the applicant)?

*47. To date, the answer which has been given to this question by the English courts is that this is not sufficient, and that what the applicant must establish is that a significant proportion of the relevant class of persons rely upon the trade mark (as opposed to any other trade marks which may also be present) as indicating the origin of the goods. It is not essential for the applicant to have explicitly promoted the sign in question as a trade mark. It is sufficient for the applicant to have used the sign in such a way that consumers have in fact come to rely on it as indicating the origin of the goods. On the other hand, if the applicant has explicitly promoted the sign as a trade mark, it is more likely that consumers will have come to rely upon it as indicating the origin of the goods. See in particular the passages from *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 at 304 (Jacob J), *Philips Electronics NV v Remington Consumer Products Ltd* [1999] RPC 809 at 819 (Aldous LJ), *Unilever plc's Trade Mark Application* [2002] EWHC 2709, [2003] RPC 35 at [31]-[33], [37], [40] and [42]-[43] (Jacob J), *Dyson Ltd's Trade Mark Application* [2003] EWHC 1062 (Ch), [2003] RPC 47 at [45] and *Bongrain* at [28] (Jacob LJ) cited in *Vibe* at [77]-[86] and the discussion in *Vibe* itself at [72]-[76] and [88]-[91].*

*48. Nevertheless, the English courts have recognised that it is not clear that this analysis is correct. Accordingly, in *Unilever Jacob J* referred questions to the Court of Justice, but the reference was withdrawn when the dispute between the parties was settled. In *Dyson Patten J* also referred questions to the Court of Justice, but the Court dealt with the reference on other grounds. In *Vibe* I stated at [89] that, had it not been for the applicant's opposition, I would have referred questions once again. Despite the passage of more than five years since then, the position is no clearer now.*

The present case

*49. It is clear from the hearing officer's decision that he applied the law as stated in *Vibe*, as he was bound to do. Counsel for Nestlé's primary submission was that the hearing officer had fallen into error in not recognising that, in the light of his findings of fact, the present case was factually distinguishable from *Vibe*. Counsel's*

secondary submission was that, if (contrary to his primary submission) the present case was not distinguishable from *Vibe*, then the issue of law discussed above should be referred to the Court of Justice for a preliminary ruling.

50. In support of his primary submission, counsel for Nestlé particularly relied on the passages from the hearing officer's decision at [38] and [103] which I have quoted in paragraph 24 above. He argued that this finding of fact by the hearing officer established that a significant proportion of the relevant class of persons did rely on the trade mark as indicating the origin of the goods. I do not accept this submission. The hearing officer's finding of fact only establishes that a significant proportion of the relevant class of persons recognise the shape constituted by the Trade Mark and associate it with goods manufactured by Nestlé in the sense I have explained in paragraph 45 above. In my judgment the hearing officer was correct to conclude that it had not been shown such persons have come to rely on the Trade Mark to identify the origin of the goods for the reasons he gave at [109].

51. Before proceeding further, it is perhaps worth elaborating a little on the hearing officer's third reason. As counsel for Cadbury accepted, a sign may come to be relied upon by consumers as indicating the origin of goods, and thus acquire a distinctive character, even though the sign is not visible to the consumer at the time of purchase. A very old example of this is the stamp frequently placed by wine producers on the corks in bottles of wine. Both because the cork was traditionally covered by lead foil and (where applicable) because of the dark glass of the bottle, the stamp was not visible to consumers at the point of sale, but only when the cork was extracted from the bottle (or at least when the foil was removed, if the bottle was made from clear glass). The point of the stamp was to confirm the authenticity of the product. In other words, it was an early form of anti-counterfeiting measure. As such, it was recognised by the English courts in the nineteenth century that such stamps functioned as trade marks and were distinctive of wine produced by the relevant producer: see the cases discussed in Prescott, "Trade marks invisible at point of sale: some corking cases" [1990] EIPR 241. As the hearing officer rightly held, however, there is no evidence, and it is inherently unlikely, that consumers of four-finger Kit Kats rely upon the shape of the product to confirm the authenticity of the goods. Indeed, I would go further: the fact that Nestlé ensures that each finger is embossed with the words Kit Kat as shown in paragraph 4 above amounts to a clear recognition that consumers do not rely on the shape in this way, rather what they rely upon is the trade mark Kit Kat.

52. Turning to counsel for Nestlé's secondary submission, he argued that the law was not correctly stated in *Vibe* and that the correct interpretation of Article 3(3) of the Directive was that association in the sense defined above was sufficient to demonstrate the acquisition of a distinctive character.

53. Counsel for Cadbury valiantly argued that there was no need for a reference because it was clear from the judgment of the Court of Justice in *Storck I* at [60]-[62] that the hearing officer had been correct to conclude that the Trade Mark had not been used as a trade mark and hence had not acquired a distinctive character. I do not accept this argument, because it begs the question as to what is meant by

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"use of the mark as a trade mark": does it require the applicant to show that, as a result of the use of the mark, consumers rely on the mark as a trade mark, or is it sufficient that consumers recognise the mark and associate it with the applicant's goods? As I have said, I consider that the law on this point remains unclear. Furthermore, I consider that it is necessary for the law to be clarified in order to determine whether the Trade Mark had acquired a distinctive character by the relevant date.

54. Accordingly I shall refer a question to the CJEU which I am provisionally minded to express as follows:

"1. In order to establish that a trade mark has acquired a distinctive character following the use that had been made of it within the meaning of Article 3(3) of Directive 2008/95/EC, is it sufficient for the applicant for registration to prove that at the relevant date a significant proportion of the relevant class of persons recognise the mark and associate it with the applicant's goods in the sense that, if they were to be asked who marketed goods bearing that mark, they would identify the applicant; or must the applicant prove that a significant proportion of the relevant class of persons rely upon the mark (as opposed to any other trade marks which may also be present) as indicating the origin of the goods?"

55. In case it assists the Court of Justice, it is my opinion that, for the reasons I explained in *Vibe*, the correct answer to the question is that the applicant must prove that a significant proportion of the relevant class of persons rely upon the trade mark (as opposed to any other trade marks which may also be present) as indicating the origin.

42. It is clear from the above that the view of the Judge, based on previous cases from the UK Courts, is that 'association' is not enough and 'reliance' has to be shown, whatever exactly that is, and however it may be proven. He is simply seeking confirmation from the CJEU that his own view, and that of the UK Courts, is correct.
43. Following the opinion of the Advocate General, the CJEU has now given its answer to the relevant question as follows:

67. Having regard to those considerations, the answer to the first question is that, in order to obtain registration of a trade mark which has acquired a distinctive character following the use which has been made of it within the meaning of Article 3(3) of Directive 2008/95, regardless of whether that use is as part of another registered trade mark or in conjunction with such a mark, the trade mark applicant must prove that the relevant class of persons perceive the goods or services designated exclusively by the mark applied for, as opposed to any other mark which might also be present, as originating from a particular company.

It will be seen that the question of 'reliance' and 'association' remains unaddressed but the answer given represents a helpful reminder of the legal and evidential burden faced by the applicant in any case where the sign in question may be being used with other,

more obvious and dominant indicia. Indeed, in a case such as this, where a 'secondary' mark is used together with a distinctive primary mark, then in practice it may be more difficult to show that the secondary mark has become distinctive (see, e.g. BL O/166/08, *Vibe Technologies Application*, a decision of the Appointed Person at paragraph 70).

44. At the time, and as I considered the above reference potentially important, I sought submissions on the then-pending CJEU case. The applicant has stated in a letter dated 1 April 2015 that the current pending nature of the questions posed to the CJEU means that I am required to decide this case based only on the *current* standing of the law. Notwithstanding that, it is also submitted that:

The subject matter of the KIT KAT and EPI leather applications is materially different. That is to say, in the KIT KAT case the shape of the product was sought to be protected; the parent mark KIT KAT was prominently used and the mark itself was not visible at point of sale. The EPI leather design is a design applied across the exterior of the goods and which is highly visible; it is not dependent upon or dictated by the shape of the products. The design does not rely on any house mark such as LV in order to function and be recognised as the EPI leather design.

The applicant understands that under current UK trade mark practice it is required that consumers must be shown to rely on the sign as an indication of origin in such a manner that the mark is sufficiently distinctive in its own right that consumers can complete a repeat purchase. It is submitted that if it can be shown that consumers recognise a sign and at the least do associate it with the trade mark proprietor, this should be sufficient education of consumers that the sign is linked so with the proprietor. Such linkage is made clearer as in this case where the notion of brand extension plays a part. That is to say, and for example, 'JCB' is well known for being a manufacturer of plant machinery but has moved into the production of clothing. Consumers would recognise the 'JCB' indicia and associate it with the plant manufacturer and in the same way, and especially given the conceded association between the goods of class 18 and those of class 9, that this is a case in which brand extension can be assumed and the evidence of acquired distinctiveness already accepted becomes, and as already noted above, highly persuasive.

The presence of the counterfeit articles indicates that consumers do associate the sign with the applicant; otherwise there would be little benefit in copying this design. The argument that consumers purchase such goods in the knowledge they are fake does not defeat or otherwise render the point any less persuasive because they are still purchasing the goods base on their appearance.

45. In response to these submissions, I do not believe the principle expressed by the CJEU is in any way negated by the fact that the *Kit Kat* case above relates to a shape, as did the *Unilever* case, and the *Dyson* case involved a lengthy period of *de facto* monopoly. The fact this case involves a textural pattern, which is applied to, and is a feature of the goods, does not mean, in my opinion, that the matter is outside the scope of the CJEU's response. That said, however, I do not believe the final response given by the CJEU is in any way an expression of a *new* principle, so much as the expression of a well-

established principle. That principle being the fact that the applicant must prove that a significant number of relevant consumers in the UK regard this sign, in and of itself and irrespective of any other signs used, as a trade mark. Further, in a case such as this, that legal and evidential burden becomes significantly more exacting as the sign comprises a feature of the product's appearance which, as the case law also tells us, is not normally regarded as denoting origin; see e.g. Case *T-202/09 Ornament* at paragraphs 33-41, as well as others. Given my view of the nature of the CJEU's answer in *Kit Kat*, it is inevitable that I would have arrived at the same overall conclusion in this case even without the reference and its answer.

Application of the legal principles

46. The goods of the specification are everyday fashion items available on the high street or via other, less traditional outlets; they are not specialist goods. The relevant public in the UK will, then, be the general public who is deemed to be reasonably circumspect.
47. It is customary to start with an analysis of the nature of the sign. The sign in this case is a leather-like, textural, grain effect which has been around for some considerable time (since the 1920s according to the evidence), albeit perhaps on a much smaller scale. The effect is called 'EPI leather' by the applicant and that is the term which is used in its promotional material. The EPI leather effect, by the applicant's own promotional material, is said to have practical and technical advantage in terms e.g. of it being water repellent and scratch resistant.
48. It must be recognised that the applicant uses the sign in relation to its products but that is emphatically not the test. Although the applicant says its catalogues were available in UK stores, such use would be limited to the context of a Louis Vuitton shopping experience and it is not clear to me what else, in terms of 'outward' looking promotional efforts on the part of the applicant, have been brought to bear in relation to the sign specifically. In terms of its own efforts to 'condition' the consumer as to the sign serving, in and of itself, to guarantee origin, my opinion is that the evidence shows little. I think it is clear from the case law (see, e.g. BL O/461/12 *Best Buy*, a decision of the Appointed Person, at paragraph 44) that a distinction can be drawn between what may be termed 'commentary' on the sign by third parties, and the requisite and conscious efforts of the applicant.
49. Furthermore, the submissions and evidence do not draw my attention to significant use without other indicia such as 'LV' or 'XL', however physically small in size such indicia may be. Neither has the applicant used the sign in a context which would *not* automatically be identified as being 'conditioned by' the applicant's identity. The phrase 'conditioned by the applicant's own identity' refers to the context⁶ in which the sign is used, be that in an advertisement or catalogue identifying the applicant, elsewhere than on the product itself, or in some other obvious context. Whilst I readily acknowledge that such use is not a requirement for acquired distinctiveness to be shown, one is here

⁶ The context in which a sign is used has been held to be critical as in, e.g. the case of BL O/531/14 *Clubcard* - a decision of the Appointed Person at paragraphs 27-30.

dealing with what is termed 'combined use'. It is worthwhile considering 'combined use' as a concept.

50. We know from the *Have a Break* case that, in principle, combined use would not rule out the possibility that the material sign used in conjunction with another sign or as part of another sign could itself have acquired distinctiveness. But, by the same token and as stated by the CJEU in *Kit Kat*, the evidence must prove that the material sign, *in and of itself and irrespective of other signs*, has acquired distinctiveness. In this case, it would not be unfair to say that the vast bulk of the evidence displays 'combined use' which, as the CJEU says, emphatically in its opinion, will not, of itself, suffice. This, to me, is one of the fatal flaws in the evidence.
51. The applicant asks me to regard the evidence previously filed in respect of the earlier case 1587977 as being persuasive in the context of brand extension. This evidence cannot be dismissed out of hand. Having carefully read the earlier file, though, I do not think it unfair to characterise the acceptance of this earlier registration as being in no small part based on the provision of independent third party trade evidence, such as that provided by Mr Michael Ambler, previously of the British Leather Confederation. However, the weight of such evidence can only really be measured in terms of the extent, if at all, such a person can be said to speak on behalf of the relevant consumer and their perceptions. It is not clear to me on what basis Mr Ambler felt capable of speaking on behalf of the relevant consumer and, accordingly, I can only give his evidence little weight.
52. In my opinion, the relevant public has not spoken in this evidence and I am asked to infer, largely based on the proxy views and commentary of fashion experts and magazines, as well as a survey on the use of patterns *in general* by fashion houses, that this sign, *in particular*, is regarded as a trade mark by the relevant consumer. But, in the end, no actual consumer has come forward and testified, in a survey or via any other means of evidence to a genuine or real association between this sign and the applicant. It is not, of course, a pre-condition that evidence from the relevant consumer must be forthcoming, but in a case such as this, and given the nature of the sign and the legal and evidential burden faced by the applicant, the absence of such evidence is more telling that it may have been otherwise.
53. This is emphatically not to dismiss the views and commentary of fashion magazines, industry experts or other third parties; it is simply to reiterate that such views must be capable of being regarded as a likely reflection of the perceptions of the relevant consumer.
54. As is also often the case with demonstrating acquired distinctiveness, the applicant tends to fall back on abstract data - in terms of turnover and advertising spend, to support its case. There is, again, nothing necessarily wrong with that since such material is expressly sanctioned in the *Windsurfing* case. But at the same time it can be dangerous to place too much reliance on such abstract data. The question I am asked is, at the risk of repetition, whether I consider the evidence as a whole persuasive enough for me to conclude that a significant proportion of the relevant public in the UK view the sign as a trade mark.

55. Finally, and the point is worthy of separate consideration, the applicant has made much of the existence of counterfeit articles in this case. Taking a measured approach, I am expressly not saying that evidence of counterfeits can never be relevant to the assessment of acquired distinctiveness; that would be an extreme and prescriptive rule-based approach. In my opinion, the existence of counterfeits, or even other forms of 'origin based' confusion, could conceivably, and in certain circumstances, assist a case for acquired distinctiveness. But this is a long way from saying that the existence of counterfeits, in and of themselves, indicates that the sign in question is *ab initio* capable of functioning as a trade mark. In other words, the factors which motivate counterfeiting may be many and varied, such as purely commercial success, industry sector, demand, margins, ease of production amongst others. In producing such unauthorised product it is inevitable the manufacturer (copier) will strive for as close a copy as possible, but this is not necessarily indicative that a particular sign such as this pattern has, in and of itself, the capacity to function as a trade mark.
56. Evidence of counterfeits can be characterised, in essence, as further proxy evidence, along with much of the evidence submitted in this case. Even assuming the existence of counterfeits is proven, I am asked to conclude that such evidence substitutes for the likely views of the relevant consumer, in terms of whether the sign applied for functions as a trade mark. This, in short, is not something of which I find myself capable of doing and accordingly, I attribute very little weight to the existence of counterfeit articles *per se*.
57. I have concluded that, on the basis of all the evidence filed, the strenuous legal and evidential burden on the applicant to show that a *significant proportion of the relevant public* in the UK regard the sign, *in and of itself and irrespective of other signs*, as functioning as a trade mark, has not been discharged. This is a case, which in short, relies, by virtue of its proxy evidence, rather too much on probability or supposition - see e.g. *Boston Scientific v OHIM - Terumo (CAPIO)* T-325/06 at paragraph 34.

Conclusion

58. For the reasons given, and having carefully read the evidence provided and submissions made, the application is refused in its entirety as acquired distinctiveness has not been proven.

Dated this day of January 2016

O/035/16

**Edward Smith
For the Registrar
The Comptroller General**