

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2192136
BY UNILEVER PLC TO REGISTER A TRADE MARK
IN CLASSES 5, 30 AND 32**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No 50803
BY WISTBRAY LIMITED**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No. 2192136
by Unilever Plc to register a Trade Mark in Classes 5, 30 and 32**

AND

**IN THE MATTER OF Opposition thereto under No. 50803
by Wistbray Limited**

BACKGROUND

1. On 18 March 1999, Unilever plc applied to register the word **CHAE** as a trade mark in Classes 5, 30 and 32.

2. The application was accepted and published for the following specifications of goods:

Class 5

Herb teas and herbal beverages.

Class 30

Tea and tea products; iced tea; herbal teas and fruit teas; beverages.

Class 32

Non-alcoholic beverages; carbonated iced teas.

3. On 8 March 2000, Wistbray Limited filed notice of opposition to this application. The grounds of opposition are, in summary:

- (a) under Section 1(1) of the Act, in that the trade mark for which registration is sought is merely another variant of common terms to describe tea, namely “chai”, “char and “cha”. It is therefore not capable of distinguishing the applicants’ goods from the goods from those of other undertakings in relation to tea of any kind or any other infusion;
- (b) under Section 3(1)(b) of the Act, in that the trade mark is devoid of any distinctive character being simply the name of the goods;
- (c) under Section 3(1)(c) of the Act, in that the trade mark consists exclusively of a word which may serve in trade to designate the characteristics of the products claimed, e.g. tea, or, more specifically, spiced tea;

- (d) under Section 3(1)(d) of the Act, in that the trade mark consists exclusively of a word which has become customary in the UK to indicate tea, and specifically tea containing spices. The word CHAE is visually and phonetically almost identical to “chai”;
- (e) under Section 3(3)(b) of the Act, in that the trade mark consists exclusively of a word which will be taken to mean tea and as such, would be deceptive if used on other drinks. The application should therefore be refused in relation to “beverages” in Class 30 and “non-alcoholic beverages” in Class 32.

4. The applicants filed a counterstatement in which all of the grounds of opposition are denied.

5. The opponents filed evidence in these proceedings; both parties seek an award of costs. In line with the Trade Mark Registry’s practice, and after a review of the case, the parties were advised a decision on the dispute could be made without recourse to a hearing. Mewburn Ellis, on behalf of the applicants were content with that approach. The applicants filed written submissions in lieu of attendance at a hearing. Consequently, this decision is taken after a careful study of the papers.

OPPONENTS’ EVIDENCE

6. This consists of three witness statements; the first dated 7 January 2001 is by Bruce Cedric Ginsberg and is accompanied by eight exhibits. Mr Ginsberg is the Managing Director of Wistbray Limited and has been involved in the tea industry since 1977. The second, dated 19 January 2001 is by Cristopher Neil Dawson who is a Buyer in the Grocery Department of Waitrose Ltd., a position he has held since 1996. The third, dated 19 January 2001 is by Majendra Jain who has been the Director of the Tea Board of India since 1997.

7. The following points emerge from Mr Ginsberg’s statement:

- the word “chai” or its variants such as “cha” and “char” mean tea in various Indian languages, Mandarin Chinese, Japanese and Russian and that such words have passed into the English language. Dictionary evidence of this is provided in Exhibit BCG1;
- the sizable British population who visit India each year will be familiar with the word “chai” and/or “cha”. Exhibit BCG3 illustrates use of the word “chai”, meaning “tea” in various English language guide books relating to India;
- English language books dedicated to tea show use of “chai” in relation to India, Egypt, Russia and Asia. Examples are shown in Exhibit BCG4;
- the word “chai” has been used in relation to tea throughout the UK for many years, particularly by a significantly sized Asian community;
- chai tea is now commonly sold in the UK, Exhibit BCG6 illustrates examples of such products. Exhibit BCG7 illustrates that the word is also commonly used on the Internet when referring to tea;

- Mr Ginsberg contends that since there are already variants of the word “chai”, namely “cha” and “char” then CHAE is just another variant and is therefore a description and not a brand name. Customers and traders would expect a product labelled CHAE to be a tea product and that, if it did not, it would be misleading.
8. The main point to emerge from Mr Dawson’s statement is that the word “chai” is a generic word meaning tea and that the CHAE is too close, both from a phonetic and visual point of view, to the generic word.
9. In his statement, Mr Jain makes the following points:
- that any Indian would recognise “chai” as a word meaning tea. This would be true not only to Indians living in India but also to Indians and English speakers resident in the UK;
 - CHAE and “chai” are virtually identical and could easily be confused by the public, tea buyers and other people in the tea industry;
 - the applicant is attempting to obtain a monopoly in the phonetic equivalent of a generic word.

APPLICANTS’ SUBMISSIONS

10. This consists of a letter dated 26 November 2001 from Mark J Hickey of Castles who are the applicants’ professional representative in these proceedings.
11. The following points emerge from Mr Hickey’s letter:
- Geoffrey Hobbs QC in AD 2000 [1997] RPC 168 recognised that the requirements of Section 1(1) and as such Section 3(1)(a) are met when a sign is “capable” of distinguishing goods or services of one undertaking from all others, to the limited extent of not being “incapable”. The Opponents have produced no evidence to suggest that the word CHAE has any specific meaning and is strictly speaking an invented word. As such, it readily overcomes the initial hurdle which Sections 1(1) and 3(1)(a) constitute;
 - the word CHAE clearly does not offend the provisions of Section 3(1)(a) of the Act and that, by implication, it qualifies as a trade mark within Section 1(1). He states that the arguments put forward in relation to Section 3(1)(b) and (c) are equally apt in consideration of Section 3(1)(a);
 - as an invented word, the trade mark in suit is possessed of sufficient distinctive character to meet the requirements of Section 3(1)(b) and (c);
 - the trade mark differs from the descriptive terms “cha”, “char” and “chai” by only one letter, but Mr Hickey contends that within the context of a relatively short word a one letter variation can in fact impact significantly both visually and

phonetically to the extent that the word CHAE will be perceived as different and inventive;

- the threshold of distinctiveness which is required for registration is now relatively low and that this has been decisively affirmed by the European Court of Justice in *Proctor & Gamble v OHIM (BABY DRY) C-383/99 P*;
- all three witness statements forming the opponents' evidence indicate that the word "chai" is a generic word and that CHAE is virtually identical and too close to be afforded any protection. Regardless of the meaning of "chai", the trade mark in suit is CHAE, a meaningless, invented word that is very much capable of distinguishing in the context of the goods of interest;
- as an invented word, the trade mark in suit does not fall foul of Section 3(3)(b) of the Act. The public will have no predetermined expectations of the content as they would see the word CHAE merely as a fanciful trade mark.

DECISION

12. The first objection is based on Section 1(1) of the Act which states:

"1. - (1) In this Act a "trade mark" means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging."

This becomes a grounds for refusal through the provisions of Section 3(1)(a) which states:

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

(a) signs which do not satisfy the requirements of section 1(1)"

13. The opponents' case relies upon the proposition that the word CHAE is phonetically identical and visually very similar to the generic word "chai". In response, Mr Hickey for the applicants, drew my attention to AD 2000 [1997] RPC168 where the Appointed Person, Geoffrey Hobbs QC stated that:

"...The requirements of Section 1(1) are satisfied even in cases where a sign represented graphically is only "capable" to the limited extent of being "not incapable" of distinguishing goods or services of one undertaking from those of another undertaking. Such signs are not excluded from registration by Section 3(1)(a). Section 3(1)(a) has the more limited effect envisaged by Article 3(1)(a) of the Directive of preventing the registration of "signs which cannot constitute a trade mark" at the time when they are put forward for registration."

14. Furthermore, the European Court of Justice in *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* C-299/99 stated that:

“...it is clear from the wording of Article 3(1)(a) and the structure of the Directive that that provision is intended essentially to exclude from registration signs which are not generally capable of being a trade mark and thus cannot be represented graphically and/or are not capable of distinguishing the goods or services of one undertaking from those of other undertakings.”

15. Having regard to the authorities, I do not believe that the trade mark in suit is so hopeless that it fails the tests under Section (1)(1), and therefore under Section 3(1)(a) of the Act and I dismiss this ground accordingly.

16. I go on to consider the objections based upon Section 3(1)(b), (c) and (d) of the Act, which state:

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

a)

(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,

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

17. As the applicants have filed no evidence of use of their mark, the proviso has no part to play in my deliberations.

18. The common theme throughout the opponents’ evidence is that the words “chai”, “cha” and “char” are all generic variations used to describe many of the goods covered by the specification of the application and that the trade mark in suit will be seen merely as another variant of these as it is visually very similar and phonetically identical to the word “chai”.

19. The applicants have drawn my attention to the comments of the European Court of Justice in *Proctor & Gamble v OHIM (BABY DRY)* C-383/99 P where it stated:

“The signs and indications referred to in Article 7(1)(c) of Regulation No 40/94 are thus

only those which may serve in normal usage from a consumer's point of view to designate, either directly or by reference to one of their essential characteristics, goods or services such as those in respect of which registration is sought. Furthermore, a mark composed of signs or indications satisfying that definition should not be refused registration unless it comprises no other signs or indications and, in addition, the purely descriptive signs or indications of which it is composed are not presented or configured in a manner that distinguishes the resultant whole from the usual way of designating the goods or services concerned or their essential characteristics.

As regards trade marks composed of words, such as the mark at issue here, descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form. Any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark.

It is true that Article 7(2) of Regulation No 40/94 states that Article 7(1) is to apply notwithstanding that the grounds of non-registrability obtain in only part of the Community. That provision, which was rightly cited at paragraph 24 of the contested judgment, implies that, if a combination of words is purely descriptive in one of the languages used in trade within the Community, that is sufficient to render it ineligible for registration as a Community trade mark.

In order to assess whether a word combination such as 'BABY-DRY is capable of distinctiveness, it is therefore necessary to put oneself in the shoes of an English-speaking consumer. From that point of view, and given that the goods concerned in this case are babies' nappies, the determination to be made depends on whether the word combination in question may be viewed as a normal way of referring to the goods or of representing their essential characteristics in common parlance.

As it is, that word combination, whilst it does unquestionably allude to the function which the goods are supposed to fulfil, still does not satisfy the disqualifying criteria set forth in paragraphs 39 to 42 of this judgment. Whilst each of the two words in the combination may form part of expressions used in everyday speech to designate the function of babies' nappies, their syntactically unusual juxtaposition is not a familiar expression in the English language, either for designating babies' nappies or for describing their essential characteristics.”

20. Though that decision dealt with a trade mark which consisted of two words, I consider that there are important principles which have equal application here. Significantly, the opponents do not provide any evidence that the word CHAE is used to describe the goods in question. Rather, they rely on their assertion that the word CHAE would be perceived by the consumer as another variant of “chai” in the same way as “cha” and “char” and that it is phonetically identical and visually too close to the word “chai”. The opponents’ evidence therefore fails to illustrate that the word CHAE is used in any way in relation to the goods in question. It appears to me, therefore, that the word CHAE is an invented word. As an invented word, I must conclude that the word

CHAE does not “serve in normal usage from a consumer’s point of view to designate directlygoods such as those in respect of which registration is sought”. Furthermore, the fact that the word CHAE differs by one letter from the generic descriptions referred to above, must be perceived as a “perceptible difference” and as such “is apt to confer distinctive character”.

21. Though I recognise Mr Dawson’s position in the grocery trade and have regard to his assertion that CHAE is visually and phonetically too close to “chai”, I do not give his statement much weight. There are no exhibits to back it up or to indicate quite why he believes that the term would be taken by the average consumer to mean tea or tea products. I must therefore reach my own conclusion. I consider that the trade mark CHAE will be pronounced “ch-ay” whilst the generic word “chai” will be pronounced “ch-i”. Visually, the words are dissimilar, although they do share some common characteristics. Thus, I consider that the trade mark in suit is not a sign which falls under the descriptive category of words and the opposition based on Section 3(1)(c) and (d) of the Act therefore fails.

22. Insofar as the objections based upon Section 3(1)(b) are concerned, I consider the comments of Geoffrey Hobbs QC in the “Cycling IS...” decision (BL 0/561/01) who concluded:

"67. The case for allowing registration rests upon the proposition that the signs are cryptic to a degree which makes it more likely than not that they would carry connotations of trade origin (whatever other connotations they might also carry) in the minds of the relevant class of persons or at least a significant proportion thereof.

68. The case for refusing registration rests upon the proposition that the signs are visually and linguistically meaningful in a way which is more likely than not to relate the goods and services to the activity of cycling without also serving to identify trade origin in the minds of the relevant class of persons.

69. The difference between these two positions resides in the question whether the perceptions and recollections the signs would trigger in the mind of the average consumer of the specified goods and services would be origin specific or origin neutral."

23. My own impression of the trade mark in suit is that it consists of an invented word and therefore is not “visually and linguistically meaningful”. It will not, in my view, trigger in the mind of the average consumer of tea and related products an origin specific perception. Consequently, the opposition based on Section 3(1)(b) of the Act also fails.

24. That leaves the ground of opposition based on Section 3(3)(b) of the Act. Section 3(3)(b) reads as follows:

“(3) A trade mark shall not be registered if it is-

a)

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”

25. The trade mark may allude to tea products, but I have already found that the trade mark is not one that may serve in trade to designate the characteristic of the goods. It therefore, cannot be deceptive. In arriving at this conclusion I have taken into account the Trade Marks Registry's practice in relation to Section 3(3)(b) of the Act as set out in Chapter 6 of the Work Manual at pages 99 to 105.

26. The opposition having failed, the applicants are entitled to a contribution toward their costs. I order the opponents to pay the applicant the sum of £500. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 21st day of August 2002

M KNIGHT
For the Registrar
the Comptroller-General