

O-050-04

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2179331  
BY KABUSHIKI KAISHA YAKULT HONSHA  
TO REGISTER A TRADE MARK IN CLASSES 29 AND 32**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 50421  
BY MALAYSIA DAIRY INDUSTRIES PTE LIMITED**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No. 2179331  
by Kabushiki Kaisha Yakult Honsha  
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**IN THE MATTER OF Opposition thereto  
under No. 50421 by Malaysia Dairy Industries Pte Limited**

**BACKGROUND**

1. On 12 October 1998 Kabushiki Kaisha Yakult Honsha applied to register the following trade mark in Classes 29 and 32:



**Special circumstances:**

Proceeding because of distinctiveness acquired through use and survey evidence.

**Honest concurrent use:**

Honest concurrent use with Application No. 2174691.

**Mark claim / limit:**

The reverse of the mark is the same as the front elevation.

2. Registration was sought in respect of the following specifications of goods:

**Class 29:**

Fermented milk drinks, fermented skimmed milk drinks, composite fermented milk drinks.

**Class 32:**

Non alcoholic fermented milk drinks.

3. The application was accepted by the Registrar “because of distinctiveness acquired through use and survey evidence” and “Honest concurrent use with Application No. 2174691”.

4. On 18 November 1999 Malaysia Dairy Industries Pte Limited filed Notice of Opposition against the application. In summary the grounds of opposition were:

(i) Under Section 1(1) and Section 3(1)(a), (b) and (c) of the Act because the mark is not capable of distinguishing the goods of the applicant from those of other undertakings as it merely consists of the shape of an ordinary container which is identical or similar to other containers, is devoid of distinctive character and consists exclusively of a sign or indication which may serve in trade to designate a characteristic of the goods, being an ordinary shape of a container in which goods may be sold;

(ii) Under Section 3(2)(a) of the Act because the mark consists exclusively of the shape which results from the nature of the goods themselves;

(iii) Under Section 3(2)(b) of the Act as the mark consists exclusively of the shape of goods which is necessary to obtain a technical result;

(iv) Under Section 3(2)(c) of the Act because the mark consists exclusively of the shape which gives substantial value to the goods;

(v) Under Sections 5(1) and 5(2) of the Act because the mark applied for is identical or similar to the earlier trade marks of the applicant set out at Annex One to this decision, which have been applied for in respect of identical or similar goods and there is a likelihood of confusion on the part of the public. Of the marks listed by the opponent applications 1352760, 1352761, 1559532 and 1559533 have been refused registration and Annex One consequently just lists applications 2124031 and 2174691.

5. The applicant filed a Counterstatement denying the grounds of opposition. Both sides filed evidence and have asked for an award of costs in their favour. The matter came to be heard on 16 and 17 December 2003 when the applicant for registration was represented by Ms McFarland and Mr Pritchard of Counsel instructed by Wragge & Co and Forrester Ketley & Co and the opponent by Mr David Kitchen QC and Mr Tappin of Counsel instructed by Clifford Chance and Frank B Dehn & Co.

## **Opponent's Evidence**

6. The opponent's evidence consists of five witness statements, one each by Alan John Wicken, John Michael Williams, Lim Choo Peng, Anthony Harold Gregory and Graham Peter Henry Hinton.

7. Mr Wicken's statement is dated 17 August 2001. He explains that he is an independent research consultant experienced in the design and interpretation of surveys of the public for legal purposes, especially trade mark applications and objections to them. His curriculum vitae is at Exhibit AJW1 to his statement.

8. Mr Wicken states that in July 2001, he was asked by Clifford Chance LLP, solicitors for Malaysian Dairy Industries Pte Limited (the Opponent in these proceedings), to commission on their behalf a survey of the public. This survey was to be based on the General Omnibus Survey run each week by the market research company Taylor Nelson Sofres RSGB, ("RSGB"). Mr Wicken explains that the purpose of the Opponent's Survey was to estimate the extent to which a mark, consisting of a graphical representation of a bottle in which Yakult, a fermented milk drink, is sold, is associated by the general public with the name "Yakult".

9. Mr Wicken refers to Exhibit "AJW2", to his declaration which comprises a copy of RSGB's report, containing the detailed results of the Opponent's Survey. This includes a copy of the representation of the mark shown to the respondents in the survey (Exhibit AJW2) and at the Exhibit marked "AJW3", is a copy of Mr Wicken's summary of the results. Mr Wicken's conclusion is that not less than 11% and not more than 17%, most probably about 14%, of the adult general public of Great Britain associate the representation of the bottle with the name "Yakult". He goes on to explain that the Opponent's Survey only tested association in the minds of members of the public between the representation of the bottle shape and the name "Yakult" and he states that at 14%, the level of this association is low compared to the results he has found in similar surveys. He adds that if the results of the Opponent's Survey were to be used to consider whether those members of the public recognised the representation as a trade mark, then in his view these results should be construed as the upper limit of any such recognition level.

10. Mr Wicken goes on to explain that he was further asked by Clifford Chance LLP to consider and comment upon the results of a survey on the same subject carried out by RSGB for Yakult (UK) Limited in July 1997 (the "Applicant's Survey"). He refers to the Statutory Declaration of Sarah Jane Leno sworn on 9 April 1999 and filed by Kabushiki Kaisha Yakult Honsha (the Applicant in these proceedings) in support and states that he has read the Statutory Declaration of Sarah Jane Leno dated 5 November 1997 and Exhibits SLJ1 to SLJ4 thereto. These documents give details of the Applicant's Survey. Mr Wicken states that although the Statutory Declaration of Sarah Jane Leno dated 5 November 1997 contained reference to an omnibus survey involving 2000 adults interviewed at 130 sampling points around the country, the results displayed in Exhibit SJL3 refer only to the results of questions put to 559 respondents in London and the South of England. Results of the questions put to respondents in other parts of the country are not reported. He adds that the results of the questions asked in London and the South were construed by Ms Leno as showing that 38% of the sample were able to look at an unbranded bottle shape and identify it with the trade mark "Yakult".

11. Mr Wicken explains that in considering the difference between that figure and the result of 14% found in the Opponent's Survey (or the figure of 18% if the results of the Opponent's Survey for London and the South alone are considered) several factors must be taken into account, including:

- “(a) The figure of 38% related to the question: “What brand or product is it?” whereas the figure of 14 (or 18%) related to the question: “Can you name any brands of fermented milk which are sold in a container that looks like this?” The brand or product to which the former question referred was introduced in a preceding question: “... We have an actual pack to show you. This is a product which you may or may not have seen before. It comes in a pack this shape and size, but of course it would have a name and description on it. Do you recognise this as a product that you have seen before?” “Warm-up” questions such as this can have an effect upon the answer given by the interviewee. For example, they may cause the interviewee's attention to be drawn closely to the product being shown. This prior question concerning previous acquaintance with the product could, therefore, have contributed to the difference in the number of people who were able to name “Yakult” as the brand.
- (b) Another factor is that the introductory question was itself preceded by two questions concerning the Coca-Cola bottle, which could also have affected the figure of 38%. These questions may have led the respondents to form assumptions about the nature of the survey being conducted or may have caused them to consider matters or issues that they would not otherwise have considered when answering the subsequent questions.
- (c) In addition to the question of whether the figure of 38% overestimated what the survey sought to measure because of the sequence of questions, the formulation of the question itself was severely flawed. The figure of 38% resulted from a question which referred to a “brand or product”, “product” having been described in the previous question as coming in a “pack this size and shape” and the product itself having been shown to the respondents. The 38% recognition level relied upon by the Applicants can only be taken, therefore, as referring to the actual packaging and contents of the packaging as a hybrid entity (which would have included indications as to the size of the bottle, the colour of the packaging, the type of material from which the bottle was manufactured, and some information as to the nature of the liquid inside the bottle). It cannot be considered as the recognition level relating to the shape of the bottle alone.
- (d) This in turn leads to the question of the appropriateness of the choice of what was to be shown to respondents for recognition. It appears from the documents contained within Exhibit SJL1 that it was an anonymous Yakult bottle which contained the fermented milk drink rather than a copy of the representation of the mark being applied for. This must invalidate the results of the survey, whatever they might be.”

12. Mr Wicken goes on to say that in paragraph 10 of her Statutory Declaration, Ms Leno states that “amongst the respondents with previous awareness of the product, 57% recognised the shape of the bottle and identified it as “Yakult” or attempted “Yakult” and of those that had tried the product, 76% were able to recognise the shape as that of “Yakult” or attempted “Yakult”. He adds that, these calculations are based only on a base of those people with previous awareness or experience of the product and these figures cannot, therefore, represent a general level of association by the public between the shape of the bottle and the name “Yakult”. Turning to paragraph 11 of the Statutory Declaration Ms Leno states that “81% of respondents say there was nothing else on sale in the UK in a pack of the same shape, and 88% indicated that they would recognise the pack if they saw it again”. Mr Wicken points out that neither of the questions asked relate to the question of association between the bottle shape and the name Yakult and, therefore, neither of these figures is comparable with the figure of 87% for association of an unbranded bottle with COCA-COLA which she cites by way of comparison. Going on to refer to paragraph 13 of Ms Leno’s Statutory Declaration, 100% distinctiveness is claimed for the YAKULT bottle shape on the basis of the 38%, the 81% and 88% mentioned above. Mr Wicken states that in the absence of any indication of how these three percentages can be combined to get 100% distinctiveness in fact, he is unable to follow her reasoning.

13. John Michael Williams’ witness statement is dated 10 August 2001. Mr Williams is Senior Consultant of Packaging Management Group, a specialist advisory company dedicated to all aspects of product packaging. Mr Williams provides information in relation to his background, expertise and experience in relation to packaging and retailing. He states that he has been asked to comment on the shopping habits of retail customers and to explain the extent to which customers use the shape of a product’s packaging to identify the goods of a particular manufacturer. He adds that in general, customers do not associate particular packaging shapes with one particular product or manufacturer but rely on packaging shapes to provide them with information regarding the type of product or its characteristics and then use brand names or logos to help them identify a specific product or goods of a particular manufacturer.

14. Mr Williams goes on to state that although it is generally the case that customers do not use the shape of products or their packaging to identify a particular brand of product, there are a small number of exceptions e.g. the Coca Cola bottle. This comprises unusual and well known shapes. Turning to the mark in suit, Mr Williams says that, in his view, there is nothing distinctive about the shape of the bottle (which is common in the drinks sector and appears to be driven by functional considerations). He sees nothing in the shape of the bottle to suggest that it would be viewed by the customer as identifying a particular brand of product rather than merely a product type. Mr Williams goes on in Exhibits JMW7 and JMW8 to his statement, to draw attention to other drink products in containers which he states are similar to the “Yakult” product. He adds that the shape of the bottle is dictated by function e.g. there is a recess on the bottle to give it rigidity and to allow the user to grip the bottle when drinking from it.

15. Lim Choo Peng is General Manager of Malaysia Dairy Industries Pte Limited (MDI) the opponent. His statement is dated 14 August 2001.

16. Mr Peng comments on certain technical aspects of the productions, filling, printing and sealing of bottles of MDI’s product called VITAGEN and of the nature of the product sold in

those bottles. He states that the processes and design of both the VITAGEN and YAKULT bottle (the mark in suit) are governed by technical and functional considerations which he goes on to detail. Mr Peng says that this explains the similarities in the bottles, including the “recess”.

17. Anthony Harold Gregory’s witness statement is dated 11 August 2001. Mr Gregory is principal consultant of Pac-Tech Packaging Consultancy which specialises in providing advice on technical aspects of packaging. He details his background, experience and qualifications.

18. Mr Gregory states that each of the features contained in the mark in suit are there for a technical or functional purpose. In relation to “the curved recess or waist”, Mr Gregory states that this is a common feature on plastic bottles within the drinks sector (Exhibit AHG4 to his statement refers) and he adds that this feature: gives strength to the bottle by making it more rigid to resist lateral forces; improves the top to bottom compression strength or “top load” resistance of the bottle; enables the bottle to resist any tendency to “body wall panelling” ie. distortion resulting from the absorption of gases in the air space between the top of the liquid and the bottle; the improved rigidity assists with printing information on the bottle; it assists with the filling and packing of the bottle and it assists the consumer in handling the bottle.

19. Turning to the “cylindrical shape” of the bottle, Mr Gregory states that this is the most efficient shape in terms of raw material usage and also results in a lower surface area-to-volume ratio for a given capacity.

20. In relation to the “shoulder of the bottle”, Mr Gregory states that the acute angle of taper of the shoulder assists the compression strength of the container, assists with pouring the contents of the bottle and can also assist in counteracting excess foaming of the product during the filling process.

21. On the “neck opening of the bottle” Mr Gregory states that the diameter of the neck opening is relatively large to the diameter of the bottle which assists with pouring and filling, but it is not wide enough to risk spillage. It represents a functional compromise. Mr Gregory adds that the “ridge or platform and collar” at the lower end of the shoulder stiffens the body wall to improve top to bottom compression performance and provides lateral strength.

22. Mr Gregory goes on to state, that in his view, that there is nothing distinctive about the mark in suit, having regard to other bottle designs on the market at the relevant date. In support he refers to Exhibits AHG5, AHG6 and AHG7 to his statement.

23. Graham Peter Henry Hinton’s statement is dated 21 August 2001. Mr Hinton occupies a number of different positions in the advertising industry, including those of managing partner in two of his own businesses. He details his background, experience and expertise in the advertising field.

24. Mr Hinton comments on the nature of the applicant’s advertising for the fermented milk drink sold under the name YAKULT. Mr Hinton considers specific advertisements of the applicant in the national press in October 1996 (Exhibit GPHH1 to his statement) and concludes that in relation to the bottle, only its size is emphasised as a distinguishing element. He states

that while each advertisement contains a picture of the bottle in which the product is sold, he adds that it is standard practice for an advertiser to show his product to encourage recognition when it appears on the supermarket shelf.

25. Mr Hinton goes on to refer to other specific promotional material, product literature, point of sale material, press advertising, consumer literature and television advertising and concludes that while there are a number of references to the size of the bottle, there is a complete absence of any other attempt to draw attention to the bottle or suggest distinctiveness in any other way such as shape.

26. In Mr Hinton's view the message being given to the consumer is: the product name – Yakult; that the product contains live (friendly) bacteria; and that the product has health benefits. Mr Hinton adds that advertisers are always rigorous in their promotion of a distinctive or exclusive feature, particularly in the look of a product which will distinguish it at the point of sale. On this point Mr Hinton goes on to provide a number of examples of advertising materials for third party products which draw attention to the shape of the product or its packaging.

### **Applicant's Evidence**

27. The applicant's evidence comprises two declarations, one each by Yoshinori Kuroda and Professor Leslie de Chernatony, and three witness statements, one each from Sara Jane Leno, Professor Penny Sparke and Christopher de Gylpyn Benson.

28. Yoshinori Kuroda's declaration is dated 21 February 2002. Mr Kuroda is Managing Director of Yakult Europe B.V. (YE), the applicant company.

29. Mr Kurodo states that the mark in suit proceeded on the basis of evidence of distinctiveness acquired through use and at Exhibit YK2 to his declaration comprises a copy of his supporting declaration of 9 April 1999, together with its exhibits, filed in relation to such use. He confirms that the first use of the mark in suit in the UK commenced with the first shipment to distributors in March 1994 and that use has been continuous since that date. Mr Kuroda refers to the turnover and advertising figures stated in his declaration of 9 April 1999:

#### **a) Turnover**

<b>Year</b>	<b>Total Bottles</b>	<b>Amount (£)</b>
1994	780,426	388,640
1995	1,014,132	714,000
1996	9,120,132	3,257,000
1997	20,096,359	7,177,000
1998	32,821,816	11,722,000



b) **Advertising Expenditure**

<b>Year</b>	<b>Ad. Spend (£)</b>	<b>Media Used</b>	<b>Total Audience</b>
1996	2,350,000	TV, Newspapers and magazines	27 million +
1997	1,432,000	TV, Newspapers and magazines	27 million +
1998	1,613,000	TV, magazines	38 million +

30. Mr Kuroda goes on to provide details of turnover and advertising after the date of application ie. for 1999 and 2000 which demonstrate an increase in sales and advertising expenditure.

31. Mr Kuroda states that the shape of the bottle which is the subject of the mark in suit is featured prominently in all advertising and often a picture of an individual bottle is shown in addition to a pack shot as shown, he states, in Exhibit YK11 to his earlier declaration. Mr Kuroda also refers to Exhibit YK4 to his declaration which consists of a copy of a statutory declaration of Marie Pauline Luger dated 11 October 2000 in which Ms Luger, a former public relations manager of the applicant states that advertisements shown in Exhibit MPL2 to her declaration allude to the “waisted” shape of the Yakult bottle as being akin to the female form. Mr Kuroda goes on to mention specific examples of advertising containing “shots” of the bottle e.g. the so-called “Katie” advertisement where Katie talks to the bottle and in the advertisement where a trader is talking on the telephone about “billions”, in reply the bottle is held upwards.

32. Professor Leslie de Chernatony’s declaration is dated 20 February 2002. He is Professor of Brand Marketing and Director of the Centre for Research in Brand Marketing at the University of Birmingham. The professor details his qualifications, background and experience in the field of brand marketing.

33. The professor explains that prior to being asked to assist in this matter he had no awareness of Yakult. His first impressions of the Yakult container were that he had never seen anything like it before, in particular the shape and size were unusual. Professor de Chernatony states that drawing on his expertise in brand marketing and having considered the applicant’s marketing and promotional material he firmly believes that the Yakult container distinguishes the Yakult product and is distinctive as a badge of origin. The professor goes on to comment upon the way consumers use brand information to evaluate and recognise different brands. He states that the product category in question induces a low level of customer involvement in that the customer search for information about competing brands is limited and successful brands make a low number of claims in their advertising. The professor states that packaging for low involvement brands performs a number of roles ie. alerts customers to the product category of interest, helps a brand stand out from competing brands, reminds a consumer of the brands’ benefits, re-enforces the brands’ values. He goes on to consider the above points in some detail.

34. Next, Professor de Chernatony addresses the applicant's "brand building" in relation to the mark in suit and concludes that integrated marketing communications (advertising, sampling, PR etc) has been used to educate customers that the distinctive Yakult container represents the brand's badge of origin. In the professor's view the container is a feature within the advertising and advertising has been used effectively to nurture the distinctiveness of the container.

35. The professor goes on to address the High Court decision of Laddie J in Yakult Honsha KKs Trade Mark Application [2001] RPC 39 and adds that three new pieces of information are now being put forward in these proceedings to support the distinctiveness of the YAKULT container and I quote:

"Firstly, the evidence that was originally presented did not include anything on the information processing model of consumer behaviour, nor then show its application to the Yakult container through in-store visits or a review of the chronological investment in promotional activities to nurture the distinctiveness of the Yakult container.

Secondly, the evidence previously presented was based on trying to draw inferences from a plethora of product categories, rather than specifically focusing on the relevant drinks sector (as will be shown when each of the expert witness statements are reviewed).

Thirdly, the Yakult container was considered away from its in-store context; no consideration was taken of the chronological brand building activities and the evidence presented appears to assume that an atomistic approach was being used by consumers (hence the experts' attention to the functional form issues), when a holistic information processing approach is more representative of in-store behaviour."

36. Turning to the evidence of the opponent, Professor de Chernatony criticises the evidence of Mr Hinton, Mr Williams and Mr Gregory and Mr Wicken.

37. In conclusion the professor states that the marketing behind the Yakult brand has nurtured the distinctive nature of the Yakult container shape in the minds of the consumer and that the reasonably well informed and circumspect consumer would instantly relate the Yakult bottle with the Yakult brand. He states that a timed approach has resulted in a notable integrated marketing communications investment, which has step by step continually enhanced customers' knowledge about the brand and tied a low number of brand benefits to the distinctive Yakult container. Consumer bonding with this brand has been strengthened through the advertised association between the bottle and the shape of the healthy human body. Through seeing the Yakult container, customers are able to make a holistic assessment of the brand resulting in an informal purchase in store.

38. Sara Jane Leno is a trade mark agent with Forrester Ketley & Co, the applicant's professional advisors in these proceedings. Her witness statement is dated 25 February 2002.

39. Ms Leno is highly critical of the opponent's introduction of expert evidence into these proceedings. She is critical of Mr Gregory's evidence as it "dissects" the bottle rather than considering its shape as a whole and she goes on to state that the examples he provides of similar

bottles are entirely different. Turning to Mr Williams evidence, Ms Leno states that he is merely expressing an individual view and she adds that in regard to Mr Hinton's evidence, none of it is based on his area of expertise which appears to be automotive products.

40. Ms Leno goes on to consider the evidence of Alan John Wicken and states that she is familiar with the nature of the General Omnibus Survey. Ms Leno notes that the opponents concedes that "most probably about 14% of the adult general public of Great Britain associate the representation of the bottle with the name "Yakult"".

41. At Exhibit SJL3 to her statement Ms Leno produces the tabulations for the survey conducted in July 1997 for the areas throughout the United Kingdom in which the survey was conducted. Each survey was representative of the UK population in 130 sampling points nationally. Ms Leno states that it can be seen at SJL3, from the tabulations entitled "Yakult pack recognition research", that on the chart entitled "Recognition of Yakult pack in the South East" 38% recognise Yakult. She adds that it is a misnomer to refer to what was shown to the respondents as "Yakult pack", suggesting that a pack of seven bottles was shown to them. She says that as can be seen from the chart entitled "Objectives" they were shown "the unbranded Yakult pack" meaning the "anonymised" bottle to which Mr Wicken makes reference. Ms Leno does not agree that the results of the survey would have been affected by showing respondents "an anonymised Yakult bottle ..... rather than a copy of the representation of the Mark applied for".

42. Professor Penny Sparke's declaration is dated 20 February 2002. She is Professor of Design History and Dean of the Design Faculty at Kingston University.

43. Professor Sparke explains that she is the same Professor Sparke who gave evidence on behalf of the applicant in connection with their previous trade mark applications (Nos. 1560017 and 1560018) specifically in relation to the applicant's appeal to the High Court heard by Mr Justice Laddie on 5 March 2001. She then refers to Exhibit PS1 to her declaration which is a copy of her first expert report dated 12 October 2000, made for the purpose of those proceedings. The professor states that she stands by her first report in which she opined that the YAKULT bottle is distinctive and memorable which arises from a number of factors taken in combination with each other, namely: the indented "waist"; the indentation at the base of the neck and the slope of the neck; the length of the neck section above the indentation in relation to the length of the lowest section below the indentation; the collar around the aperture; the ratio of the length of the bottle to the diameter and the fact that the bottle as a whole has a strong anthropomorphic quality ie. it is body shaped.

44. Professor Sparke goes on to criticise the evidence of Mr Gregory and states that in her view there is no need for a sign to have "capricious addition" in order to function as a trade mark as products can be functional and symbolic at the same time.

45. Christopher De Gylpyn Benson's statement is dated 22 February 2002. He is a partner of the firm Wragge & Co, solicitors for the applicant.

46. Mr Benson has been involved in a number of registered design and trade mark proceedings between the applicant and opponent and he states that he makes this statement to draw attention to a number of facts and matters which the applicant believes relevant to the issues in the opposition, in particular on whether the applicant has had the bona fide intention to use its earlier marks.

47. Mr Benson refers to registered design proceedings issued in the High Court in 1978 which were settled by way of a Settlement Agreement. While the settlement is subject to a confidentiality agreement, Mr Benson draws attention to Clause 1 of the agreement which has been filed with the Registry on the accepted basis of confidentiality.

48. Mr Benson goes on to refer to 1979 proceedings in Singapore relating to an interlocutory injunction to restrain the applicant from infringing UK Registered Design No. 977999. This application for an injunction was dismissed.

49. Mr Benson also goes on to provide background information in relation to the opponent's application numbers 1352760 and 1352671, which confirms that they are no longer relevant to the Section 5 Ground of the opponent, and draw attention to the decision of the Registry's Hearing Officer in relation to those applications that as at 22 July 1988, the opponent in the present proceedings, had no bona fide intention to use the marks applied for.

50. Next, Mr Benson turns to the opponent's applications under numbers 1559532 and 1559533 which he states, are for all practical intents and purposes identical to the shape mark applied for in the present case, and he confirms that they were refused, pursuant to the judgement of Mr Justice Laddie dated 8 March 2001.

51. In relation to the opponent's earlier trade marks numbers 2124031 and 2174691, Mr Benson explains that the applicant is opposing both these applications on the basis of its earlier trade mark in the form of its application for a Community Trade Mark. Mr Benson also casts doubt upon the opponent's intention to use the marks it has applied for under applications 2124031 and 2174691.

### **Opponent's Evidence in Reply**

52. This comprises five witness statements, one each from Peter David Taylor, Alan John Wicken, Graham Peter Henry Hinton, John Michael Williams and Anthony Harold Gregory.

53. Mr Taylor's witness statement is dated 19 September 2002. He is a solicitor and partner in Clifford Chance, solicitors for the opponent company.

54. Mr Taylor's statement partly relates to a confidential settlement agreement between the parties the contents of which, it has been agreed, are to remain confidential for the purposes of these proceedings.

55. Mr Taylor confirms that the opponent places no reliance upon application numbers 1352760, 1352761, 1559532 and 1559533.

56. Turning to the opponent's UK trade mark applications 2124031 and 2174691, Mr Taylor explains that the opponent's primary position is that the mark applied for by the applicant is not confusingly similar to these two marks of the applicant as these marks contain the word VITAGEN which is the prominent feature of the marks. Mr Taylor adds that the question of whether or not the opponent intends to use its earlier marks is not an issue under the present opposition.

57. Mr Wicken's witness statement, his second in these proceedings, is dated 31 July 2002.

58. Mr Wicken states that from reading the Statutory Declaration of Professor Leslie de Chernatony and the Witness Statement of Ms Sara Jane Leno, it appears to him that they may be overlooking this important distinction when referring to the results of the surveys carried out by the Applicant in 1997 (the "Applicant's Survey") and the Opponent in 2001 (the "Opponent's Survey"). He says this is because they appear to rely on the "recognition" figures produced in those surveys in order to support the Applicant's claim that the shape of the bottle in which the Applicant's product is sold (the "Yakult Bottle") functions as a trade mark. He adds that for example, in her Witness Statement, Ms Leno states "I note specifically that the Opponent concedes that "most probably about 14% of the adult general public of Great Britain associate the representation of the bottle with the name "Yakult"" and then she repeats her assertion, "that the shape of the mark applied for is 100% distinctive". Professor de Chernatony, refers to the Opponent's Survey as showing that the Yakult brand has the highest level of association with the Yakult bottle, at 18%, whereas the next highest level of association is Actimel, with 8% and states that "this suggests, within the limitations noted, the Yakult container is distinctively associated with the Yakult brand". Mr Wicken states that there is a difference between mere association in the minds of the public between a product's feature and a particular trader, and recognition of that feature as a trade mark. Surveys which ask the public whether they can name any brands of a particular product type (with or without a specific feature, such as a bottle shape) do no more than test association between the product type (and/or feature) and the brand name. They do not, and cannot, measure trade mark significance.

59. Mr Wicken goes on to state that the Opponent's Survey, like the Applicant's Survey, only tested association between the shape of the Yakult Bottle and the name "Yakult". In the Opponent's Survey, approximately 14% of the public associated the shape of the Yakult Bottle with the name "Yakult". It is probable, therefore, that a much lower percentage actually viewed the Yakult Bottle as being exclusive to the Yakult product, and therefore recognised it as having trade mark significance. Therefore, the figure of 14 per cent. should be regarded as the absolute maximum level of trade mark recognition and probably higher than the true figure.

60. Mr Hinton's statement, his second in these proceedings, is dated 9 September 2002. It is a response to the criticisms of his evidence contained in the applicant's evidence, in particular that of Ms Leno and Professor de Chernatony. Turning to the applicant's contention that the YAKULT bottle is associated with a healthy human shape, Mr Hinton states that there has been no attempt to show that and no evidence to support a claim that the shape and health benefit connotation is unique to YAKULT.

61. Mr Williams' statement, his second in these proceedings, is dated 5 August 2002. It is a response to criticisms of his evidence contained in the evidence of the applicant, in particular that of Professor de Chernatony.

62. Mr Gregory's statement is dated 15 August 2002. It is his second statement in these proceedings.

63. Mr Gregory disagrees with the statement in Professor Sparke's evidence on behalf of the applicant, that the strongest visual element of the YAKULT bottle shape is the "horizontal shoulder" and he adds that at the point of sale the purchaser cannot see more than one half bottle at each end of a row of seven shrink wrapped containers and the strongest visual element is the word "Yakult" in red on the printed film wrap. He goes on to say that the "indented waist" is more noticeable than the "horizontal shoulder" and states that an "indented waist" is a common feature for bottles of all types.

64. This completes my summary of the evidence filed in this case. I turn now to the decision.

## **DECISION**

65. Prior to the hearing Mr Kitchen stated that the opponent had decided not to pursue the Section 3(1)(a), Section 3(1)(c), Section 3(2)(a) and Section 3(2)(c) grounds of opposition, as they did not add to the Section 3(1)(b) and Section 3(2)(b) grounds. Consequently, only the Section 3(1)(b), Section 3(2)(b) and Section 5(2)(b) grounds remain.

### **Section 3(1)(b)**

66. Firstly, I go to the Section 3(1) ground and the relevant parts of Section 3(1) of the Act which reads as follows:

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

- (a) .....
- (b) trade marks which are devoid of any distinctive character,
- (c) .....
- (d) .....

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."

67. At the hearing Ms McFarland on behalf of the applicant submitted that the mark in suit was both prima facie distinctive and had acquired further distinctiveness through use. Accordingly, I

must first of all consider on a prima facie basis, the acceptability mark applied for under Section 3(1)(b).

68. Section 3(1)(b) of the Act provides for refusal of a trade mark on the ground that the mark in question is devoid of any distinctive character. In the application of Section 3(1)(b) I am assisted, in particular, by the principles set out in the following recent decisions - *Cycling IS...* [2002] RPC 37, *Libertel Group BV v Benelux Markenbureau*, Case C-104/01 and *Linde AG (and others) v Deutsches Patent-und Markenamt*, Joined Cases C-53/01 to C-55/01; which can be summarised as follows:

- (a) the exclusions from registrability contained in Section 3/Article 2 are there to ensure that trade marks whose use could successfully be challenged before the Courts are not registered. The defence available to other traders by virtue of an objection under Sections 3(1)(b) operates independently of objections under Section 3(1)(c) (*Cycling IS* .... Paragraph 43-45 and *Linde* paragraphs 67-68);
- (b) for a mark to possess a distinctive character it must identify the product (or service) in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product (or service) from the products (or services) of other undertakings (*Linde* paragraphs 40-41 and 47);
- (c) it is legitimate, when assessing whether a sign is sufficiently distinctive to qualify for registration, to consider whether it can be presumed that independent use of the same sign by different suppliers of goods or services of the kind specified in the application for registration would be likely to cause the relevant class of persons or at least a significant proportion thereof, to believe that the goods or services on offer to them come from the same undertaking or economically-linked undertakings (*Cycling IS*.... Paragraph 53);
- (d) a trade mark's distinctiveness is not to be considered in the abstract but rather by reference to the goods or services in respect of which registration is sought and by reference to the relevant public's perception of that mark (*Libertel* paragraphs 72-77 and *Cycling IS*.... Paragraphs 54-61);
- (e) the relevant public must be deemed to be composed of the average consumer who is reasonably well-informed and reasonably observant and circumspect (*Libertel* paragraph 46 referring to Case C-342/97 *Lloyd Schuhfabrik Meyer*).

### **The prima facie case**

69. In relation to the prima facie acceptability of the mark I reminded Ms McFarland of the High Court decision of Laddie J taken in respect of the identical mark – *Yakult Honsha KKs Trade Mark Application* [2001] RPC 39 at pages 756 to 761 – which considered the inherent distinctiveness of the mark and also by virtue of the provision of Section 3(1), whether it had become distinctive through use. On the prima facie acceptability, Laddie J concluded (at paragraphs 10 and 11 to his decision):

“10 Where inherent distinctiveness is concerned, the Registry has to find that the mark performs the function of identifying origin even before the public is educated that it is so used for that purpose. Where invented, non-descriptive word marks are concerned, it may be easy to come to such a finding. But where a container is in issue it may well be much more difficult. As Mr Thorley rightly conceded, the fact that a container is unusual or attractive does not, per se, mean it will be taken by the public as an indication of origin. The relevant question is not say, whether the container would be recognised on being seen a second time, that is to say, whether it is of memorable appearance, but whether *by itself* its appearance would convey trade mark significance to the average customer. For the purpose of this appeal, I am prepared to accept that the bottle shape which is the subject of these applications is both new and visually distinctive, meaning that it would be recognised as different to other bottles on the market. That does not mean that it is inherently distinctive in a trade mark sense.

Mr James came to the conclusion that the average consumer was likely to conclude that the design in the applications was nothing more than a bottle of pretty ordinary shape. I agree. Like Mr James, I can see nothing which would convey to someone who was not a trade mark specialist that this bottle was intended to be an indication of origin or that it performed that function. Even were it to be recognised as a different shape to other bottles on the market, there is nothing inherent in it which proclaims it as having trade mark significance.”

70. In response, Ms McFarland made the following three points:

- (i) there is additional evidence before me, in the form of expert evidence, on how the public would perceive the mark;
- (ii) a considerable period of time has elapsed since the decision of Laddie J and the benefit of more recent judicial authority is available to the tribunal; and
- (iii) the decision of Laddie J focused on individual elements of the mark, particularly the “fingerhold” or “waisted” section”, at the expense of considering the mark in its totality.

71. Firstly I turn to the expert evidence filed by the applicant in relation to the prima facie case under Section 3(1), the declarations and statements of Professor de Chernatony and Professor Sparke summarised at paragraphs 32 to 37 and 42 to 44 of this decision.

72. Both professors submit that the mark in suit comprises a memorable and distinctive container which the public would perceive as an indicator of origin and draw attention to certain features of the container. Professor de Chernatony goes on to express his views on consumer reactions to the container bearing in mind the nature of the goods at issue. A good deal of Professor de Chernatony’s evidence also refers to the applicant’s “brand building” activities which of course, goes to “nurture” rather than “nature” and is not relevant to the prima facie case.



73. At the hearing I explained my reservations and concerns relating to the value of expert evidence of the sort provided above, given that the goods or products for which registration is sought ie. fermented milk drinks, are readily available to the public at large through supermarkets, corner shops etc. They are not a sophisticated, specialist or even expensive purchase in which the tribunal requires a better understanding of the public perception or in which it requires educating. An academic specialisation or understanding in such matters does not necessarily equip an individual, no matter how well qualified, to assist the tribunal in reaching conclusions on how the public perceive trade marks used in relation to widely available and relatively inexpensive dairy products.

74. In *The European Limited v The Economist Newspaper Limited* (1998) FSR 283 at 291 Millet L J observed:

“The function of an expert witness is to instruct the Judge of those matters which he would not otherwise know but which it is material for him to know in order to give an informed decision on the question which he is called on to determine. It is legitimate to call evidence from persons skilled in a particular market to explain any special features of that market of which the judge might otherwise be ignorant and which may be relevant to the likelihood of confusion. It is not legitimate to call such witnesses merely in order to give their opinion whether the two signs are confusingly similar. They are experts in the market, not on confusing similarity .... In the end the question of confusing similarity was one for the judge. He was bound to make up his own mind and not leave the decision to the opinion of the witness”.

75. In the present case the issue is whether the mark in suit would be perceived by the customer for the goods ie. the public at large, as an indication of trade origin. It seems to me that the market in question does not, from the customers perspective, possess any special features of which the tribunal is likely to be ignorant and which may be relevant to the customers perception of a sign in relation to trade origin. I have not heard any persuasive submissions to the contrary. Accordingly, the evidence of Professor de Chernatony and Professor Sparke is of no real assistance in relation to the prima facie case under Section 3(1)(b).

76. Next, I consider the applicant’s submission that since the decision of Laddie J in 2001, more recent judicial authority has thrown fresh light onto Section 3(1)(b) considerations relating to the acceptability of marks of the sort subject to the application.

77. Ms McFarland drew particular attention to the recent decisions in *Nestlé v OHIM* (CFI) T-305/02 and *Mag Instrument v OHIM* [2002] ECR II-467, both decisions of the European Court of First Instance. However, it seems to me that the decisions on those cases were reached on their own particular merits. The former case involved an application for a three dimensional bottle bearing patterned grooves and the mark in totality was found to form an overall particular appearance which, taking account also of the overall aesthetic result, was capable of holding the attention of the public concerned and enabling that public to distinguish the goods covered by the application from those with a different commercial origin. The latter case involved an application for three dimensional shapes in respect of cylindrical shapes of torches which were

held not capable of differentiating or distinguishing the goods from those of a different commercial origin.

78. In both the above cases the Court stressed that it is inappropriate to apply more stringent criteria or impose stricter requirements when assessing the distinctiveness of three dimensional marks, than are applied or imposed in other categories of mark. The cases also stress that marks must be considered as a whole.

79. In reaching his decision on the acceptability of the mark in 2001, Laddie J stated (pages 758 to 759, paragraphs 8-9):

“8 There was little dispute between the parties as to the correct approach to the application of Section 3(1)(b). The onus is on the applicant to show that the proposed mark is inherently distinctive. Mr Thorley agreed that Mr James was entitled to rely upon first impressions, as long as in doing so he directed his attention to the correct issue. According to Mr Thorley, that issue, in a case where a container is the subject of the application, is whether the design is eye catching in a relevant trade mark sense. The fact that a particular design is eye-catching because it is unusual or decorative is not enough by itself. At all times the Registry has to ask whether the design is distinctive as a badge of origin. The exercise to be undertaken was described by the European Court of Justice in *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] F.S.R. 77; Case C-342/97, [1999] E.C.R. I-3819:

“In determining the distinctive character of a mark ... the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings ...” (para. 22).

9 In my view the same point was made even more succinctly by Lloyd J. in *Dualit Ltd's (Toaster Shapes) Trade Mark Applications* [1999] R.P.C. 890, a case concerning an application to register the shape of an electric toaster as a trade mark:

“... does [the mark] have a meaning denoting the origin of the goods?” (page 897).”

80. I believe this approach to be totally consistent with the more recent judicial authorities and with the guidance I set down at paragraph 68 to this decision. Indeed, both the *Nestlé v OHIM* case and the *Mag Instrument v OHIM* cases, make it clear that the essential function of a trade mark is to identify trade origin to the relevant public.

81. I now go on to my considerations of the mark in suit under Section 3(1)(b), in relation to the prima facie case.

82. My own knowledge and experience tells me that milk drinks and fermented milk drinks are sold in bottle type containers. Accordingly, a bottle or even a new shape bottle container does

not necessarily denote trade origin, but, of course, the overall design or appearance of a particular bottle may do so.

83. The average customer for the goods is a very wide section of the public at large and the goods at issue are an everyday dairy product, which, on a relative basis, is not necessarily purchased with a good deal of care and attention following a close visual inspection.

84. Bearing in mind that the public are used to purchasing milk drinks in “bottle type” containers I must direct my attention to whether the mark in suit possesses an appearance which, in its totality, would lead the customer to distinguish the goods of the applicant from those goods of other commercial undertakings.

85. The bottle at issue possesses no obvious patterned ornamentation as such but the applicant has drawn attention to its indented “waist”, the indentation at the base of the neck, the slope and length of the neck section, the collar around the aperture and the ratio of the length of the bottle to the diameter. The applicant submits that “the bottle as a whole has a strong anthropomorphic quality” ie. it is body shaped.

86. My first impression upon seeing the container subject to the application was that while it was not unattractive as such, it held no special or particular appeal. The indented “waist” is an obvious feature but the only message it sent to me was “this is the best place to pick me up or hold me”. I do not consider that the public would on a prima facie basis associate the shape or appearance of the container with that of the female body, nor do I believe that the public would find the container, in its totality, as having any particular appearance which is capable of holding the attention so as to distinguish the goods covered by the registration from those of goods emanating from different commercial undertakings. Furthermore, my prima facie view seems consistent with the applicant’s own use and promotion of the bottle – see paragraphs 109 and 110 of this decision.

87. To conclude, on the prima facie case, I take the view that the mark in suit does not, in its totality, comprise a distinctive sign which enables it to distinguish the applicant’s product. The mark is devoid of distinctive character and on a prima facie basis fails to meet the requirements of Section 3(1)(b) of the Act.

### **Acquired Distinctiveness**

88. This, of course, does not dispose of the Section 3(1)(b) ground. The applicant has filed evidence of use, survey evidence and expert evidence. This goes to the proviso to Section 3(1). In accordance with the proviso, if it can be shown that the mark has in fact acquired a distinctive character as a result of the use made of it, it can be registered. I would add that the proviso formed the basis of the Registrar’s acceptance and advertisement of the application.

89. The appropriate test is that laid down by The European Court of Justice in conjoined cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Windsurfing Chiemsee v Attenberger* [1999] ETMR 585. The relevant parts of the court’s decision are reproduced below:

“49. In determining whether a mark has acquired distinctive character following the use made of it, the competent authority must make an overall assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking, and thus to distinguish that product from goods of other undertakings.

50. In that connection, regard must be had in particular to the specific nature of the geographical name in question. Indeed, where a geographical name is very well known, it can acquire distinctive character under Article 3(3) of the Directive only if there has been long-standing and intensive use of the mark by the undertaking applying for registration. A fortiori, where a name is already familiar as an indication of geographical origin in relation to a certain category of goods, an undertaking applying for registration of the name in respect of goods in that category must show that the use of the mark – both long-standing and intensive – is particularly well established.

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.”

90. Although that case concerned an application for a geographical name, the principles set down apply to distinctive character in general.

91. The applicant’s evidence of use is filed in the declaration of Mr Kuroda and its supporting exhibits, which are summarised at paragraphs 28 to 31 of this decision.

92. I have no doubt that the applicant has sold its product in the bottle type container which is subject to this application on a large scale and that it has promoted the product to a very significant degree. In my view the extent of the applicant’s business is such that I am able to infer that it possesses a large share of the market for fermented milk drink and that it possesses a reputation in its product.

93. Notwithstanding the above, the product is always sold with the distinctive word YAKULT featuring prominently upon the container and the word YAKULT is always featured in the advertising and promotion of the product. There are no examples whatsoever of any goods being sold or promoted without the presence of the word YAKULT on the bottle. According I am

unable to conclude that the evidence of use equates to the acquired distinctiveness of the mark as filed. As Morrit L J put it in *Bach Flower Remedies Ltd v Healing Herbs Ltd* (2000 RPC 513) –

“..... use of a mark does not prove that a 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 materiality.”

94. I now go on to consider the survey evidence filed in this case.

95. The head note to *Imperial Group plc & Another v Philip Morris Limited & Another* [1984] RPC 293 gives a useful summary to the requirements for a survey:

“If a survey is to have validity (a) the interviewees must be selected so as to represent a relevant cross-section of the public, (b) the size must be statistically significant, (c) it must be conducted fairly, (d) all the survey carried out must be disclosed including the number carried out, how they were conducted, and the totality of the persons involved, (e) the totality of the answers given must be disclosed and made available to the defendant, (f) the questions must not be leading nor should they lead the person answering into a field of speculation he would never have embarked upon had the question not been put, (h) the exact answers and not some abbreviated form must be recorded, (i) the instructions to the interviewers as to how to carry out the survey must be disclosed and (j) where the answers are coded for computer input, the coding instructions must be disclosed.”

96. The applicant relies upon a public survey conducted in 1997, the objective of which was to determine public recognition of the mark applied for. This is exactly the same survey that was considered by Laddie J. in his decision (mentioned above) and in relation to which, he made the following comments at pages 760 to 761, paragraphs 17 to 22 –

“..... Mr Alexander said that there were a number of serious defects with the survey. He criticised the way it was carried out.

The way in which the survey was conducted was explained in the first declaration of Ms Leno. She explained that, in the first instance, respondents were shown a photograph of a COCA COLA bottle with the trade mark “COCA COLA” removed. They were asked the following question:

“This is a photograph of a product which you may or may not have seen before. It comes in a bottle shaped like this, but of course it would have a brand name on it. Do you recognise this as a product that you have seen before?”

If the respondent answered in the affirmative, he or she was asked “what brand or product is it?” The respondents were then shown a Yakult bottle with all references to the trade mark “YAKULT” removed. They were then asked the question:

“This time we have an actual pack to show you. This is a product which you may or may not have seen before. It comes in a pack this shape and size, but of course

it would have a name and description on it. Do you recognise this as a product that you have seen before?”

Once again, those respondents who answered in the affirmative were then asked “what brand or product is it?” As Ms Leno puts it, in the South East of England, 38 per cent of respondents were able to look at the unbranded bottle shape and identify it with the applicant’s trade mark “YAKULT”.

Mr Alexander said that the way this survey was constructed would inevitably prompt respondents to give answers which the applicant wanted. The use of the famous Coca Cola bottle first would lead an ordinary respondent to realise that some sort of trade mark significance in relation to containers was the subject of the survey. That would be reinforced by the opening words of the question put in relation to the applicant’s bottle. The reference to “this time” was likely to emphasise to the respondents that this bottle was intended to have the same trade mark significance as the Coca Cola one.

In my view these criticisms are valid. The survey is far too leading to be accepted as reliable evidence of the recognition of Yakult’s bottle .....

97. On behalf of the applicant, Ms McFarland submitted that the above criticisms were not sufficiently serious to invalidate the survey in its totality so that, as she put it, “the baby would be thrown out with the bathwater”. I disagree. In my view the leading nature of the survey and its construction means that the survey was basically and fundamentally flawed from the outset. It was conducted contrary to the basic rules for surveys and in my view it would be inappropriate and unsafe to draw any conclusions from its results. I am reminded of the comments made by Lloyd J in *Dualit Ltd’s* trade mark application [1999] RPC 890, paragraph 49, which while relating to a criticism of survey evidence for inviting speculation, are in my view, relevant to the present case:

“In my view those results, even to the limited extent that they might otherwise assist the applicant, need to be discounted by reference to the methodology of the survey”.

98. The opponent has also filed survey evidence – paragraphs 7 to 9 of this decision refer. This survey was intended to cover the extent to which members of the general public associate with Yakult the mark for which registration is being sought. The information presented was obtained as part of the RSGB Omnibus Survey for July 2001, which is around two and a half years after the relevant date for these proceedings.

99. In an “omnibus survey” interviewers ask interviewees various different questions on behalf of a number of different clients. In *Bach and Bach Flower Remedies Trade Marks* [1999] RPC 1 at 20, 21 Neuberger J. accepted expert evidence to the effect that while omnibus surveys are suitable for commercial purposes, they are generally considered to be inappropriate for the purposes of legal proceedings:

“It is difficult to weigh the value of an answer recorded by an interviewer in circumstances such as these. One cannot assess the context, either in the physical sense or in the sense of knowing precisely what was said before the interview started or precisely what was said by the interviewee (and, possibly, the interviewer) before the

crucial question is asked. Nor does one know whether the interviewee asked for clarification of the vital questions and, indeed, whether the interviewer recorded verbatim the answers given.”

Issues of this kind remain in relation to the RSGB omnibus survey I am now considering.

100. Nevertheless, the opponent’s expert, Mr Wicken, in his witness statement of 17 August 2001, concludes the survey shows that not less than 11% and not more than 17%, most probably around 14% of the adult general public of Great Britain associate the representation of the bottle with the name “Yakult”. He stresses that association does not necessarily equate to trade mark recognition.

101. The applicant notes the opponent’s survey evidence as a concession that 14% of the adult population of Great Britain associate the mark applied for with “Yakult”. However, as Mr Kitchen pointed out, the results also show that 17% associate the bottle with someone, other than Yakult.

102. I do not find the opponent’s survey evidence of any material assistance in this decision but, in so far as the applicant may seek to rely on it, a 14% (or even 18%) “association” or “recognition” rate seems to me a long way off from demonstrating factual or acquired distinctiveness, given the nature of the goods and the customer for the goods. It follows that 86% (or even 82%) do not associate the bottle with the applicant in any way and that indeed many associated it with trade competitors.

103. At the hearing Ms McFarland submitted that as the opponent’s survey showed a 14% association with Yakult and a 17% association with other traders it followed that 31% of those surveyed reacted to the shape as an indicia of trade origin. However, it seems to me that this is a flawed conclusion. Even if one leaves aside the points that association does not equate to trade mark recognition, and that 69% did not react to the shape, it seems to me that questions of the sort posed by the survey ie. “Can you name any brands of fermented milk drinks which are sold in a container that looks like this?”, invite the person answering into a field of speculation he/she would never have embarked upon had the question not been put. It is both leading and an invitation to enter a “guessing game”. Furthermore, once the “guessing game” commences one must bear in mind that, given the scale of the applicant’s sales and promotion of its product, the applicant is a market leader in fermented milk drinks and the Yakult name may be at the forefront in the minds of many contributors.

104. To conclude, I do not consider that the survey evidence filed in these proceedings goes to show that the mark in suit has acquired a distinctive character as a result of the use made of it.

105. I now turn to the expert evidence filed in relation to the Section 3(1)(b) ground. The *Windsurfing Chiemsee* case, mentioned earlier (see paragraph 89 of this decision) makes it clear that evidence from third parties may assist the tribunal in relation to the assessment of acquired distinctiveness. Paragraph 51 of that decision reads as follows:

“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.”

106. At the hearing Mr Kitchen pointed out that the expert evidence provided in this case is not from the relevant trade as such. Furthermore, I have also made my views plain about the general value of expert evidence on the public perception of marks in relation to everyday food products of the sort covered by the current applications – see paragraphs 71 to 75 of this decision. However, the expert evidence also goes to a consideration of the applicant’s brand building activities, which it is claimed have affected public perceptions in relation to the distinctive character of the mark in suit.

107. The applicant’s evidence makes great play of the fact that the bottle appears in all advertisements of the product (apart from the opening two “teaser” campaigns). However, given the liquid nature of the goods and the fact that the customer is encouraged to consume them direct from the bottle, rather than by pouring the contents into a glass or cup, it is hard to envisage an alternative way in which the applicant’s product could be promoted, unless it were to be shown during the manufacturing process. It is sold in the bottle and is in the bottle at the time of consumption. Accordingly, in advertisements for the product it is likely to follow that the goods are shown or in the process of being consumed ie. in the bottle or container. As mentioned earlier in this decision, the word YAKULT is always prominent in all advertisements.

108. The applicant’s evidence, in particular that of Professor de Chernatony, contends that consumer bonding with the mark in suit has been advertised association between the bottle and the shape of the healthy human body. He refers to the applicant’s television advertisements in which, as he puts it:

“the camera pans from healthy shaped stomachs to the shape of the Yakult container. In other words, the Yakult container shape signifies the anthropomorphism of the brand into a healthy human form (the hour glass shaped bottle)”.

109. The opponents’ response, in particular that of their expert Mr Hinton is that the applicant’s advertisements only go to associate the Yakult product with a healthy lifestyle and fit body – a connotation far from unique. Indeed, Mr Kitchen drew my attention to Exhibit GPHH3 to Mr Hinton’s statement which contains a copy of a full page Yakult advertisement from the Daily Mail of 30 April 1996. This includes the following words adjacent to the Yakult container:

“From the start human health has been our company’s primary focus. Fancy flavours and gimmicky packaging have not”.

Similar 1998 advertisements from the “Evening Standard” and “Health and Fitness Magazine” also refer to “no ..... gimmicky packaging” and “plain packaging”.



110. While I have no doubt that the applicant’s promotion of the mark conveys the healthy lifestyle message, I am far from convinced that it has established in the minds of the public at large a linkage between the shape of the Yakult container and the human body. Certainly, there is no evidence from the relevant public on this point. Furthermore the applicant’s evidence refers to a linkage with “the hour glass shape”. This is a shape associated with sexually mature females rather than males and young girls, both of which have been featured in television advertisements where the camera pans from individual’s stomachs to the Yakult container. I also note that the “indented waist” of the container is widely shown as the point at which the container is held by the customer in the use ie. consumption, of the product. This association or explanation in relation to the “hour glass shape” is perhaps a more obvious one.

111. To conclude, I do not consider the expert evidence shows that the mark in suit has acquired a distinctive character in the mind of the relevant public. That the bottle appears in the promotion of the mark is to be expected given the nature of the goods and how they are consumed. I am far from convinced that the advertising campaigns have led the public to perceive a connection between the bottle itself (as opposed to the product or the Yakult brand) and a healthy human body, certainly not to the extent that the container is perceived as analogous to the human body and thereby acquiring a distinctive character as an indicator of origin.

112. On the basis of the evidence filed and after taking into account the submissions of both parties I have come to the conclusion that, for the reasons given above, the mark in suit fails to qualify for registration by virtue of Section 3(1)(b) of the Act and that the proviso to Section 3(1) of the Act does not apply. In my view the mark in suit had not acquired a distinctive character at the relevant date and it is devoid of distinctive character.

**SECTION 3(2)(b)**

113. As the opposition has been successful under Section 3(1)(b), I have strictly no need to go on to consider the Section 3(2)(b) ground. However, at the Hearing Mr Kitchen stressed the importance of this ground to the opponent and invited me to reach a conclusion on it independently to my findings in relation to distinctiveness. I shall do so.

114. Section 3(2)(b) of the Act reads as follows:

“(2) A sign shall not be registered as a trade mark if it consists exclusively of -

- (a) .....
- (b) the shape of goods which is necessary to obtain a technical result, or
- (c) .....

115. The interpretation of the corresponding European Council Directive was considered by the European Court of Justice in *Philips Electronics NV v Remington Consumer Products Ltd* [2003]

RPC 2 at pages 14 to 30. The Court's findings at paragraphs 77 to 84 are of particular relevance and read as follows:

- “77 The various grounds for refusal of registration listed in Article 3 of the Directive must be interpreted in the light of the public interest underlying each of them (see, to that effect, *Windsurfing Chiemsee*, paragraphs 25 to 27).
- 78 The rationale of the grounds for refusal of registration laid down in Art.3(1)(e) of the Directive is to prevent trade mark protection from granting its proprietor a monopoly on technical solutions or functional characteristics of a product which a user is likely to seek in the products of competitors. Art.3(1)(e) is thus intended to prevent the protection conferred by the trade mark right from being extended beyond signs which serve to distinguish a product or service from those offered by competitors, so as to form an obstacle preventing competitors from freely offering for sale products incorporating such technical solutions or functional characteristics in competition with the proprietor of the trade mark.
- 79 As regards, in particular, signs consisting exclusively of the shape of the product necessary to obtain a technical result, listed in Art.3(1)(e), second indent, of the Directive, that provision is intended to preclude the registration of shapes whose essential characteristics perform a technical function, with the result that the exclusivity inherent in the trade mark right would limit the possibility of competitors supplying a product incorporating such a function or at least limit their freedom of choice in regard to the technical solution they wish to adopt in order to incorporate such a function in their product.
- 80 As Art.3(1)(e) of the Directive pursues an aim which is in the public interest, namely that a shape whose essential characteristics perform a technical function and were chosen to fulfil that function may be freely used by all, that provision prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (see, to that effect, *Windsurfing Chiemsee*, paragraph 25).
- 81 As to the question whether the establishment that there are other shapes which could achieve the same technical result can overcome the ground for refusal or invalidity contained in Art.3(1)(e), second indent, there is nothing in the wording of that provision to allow such a conclusion.
- 82 In refusing registration of such signs, Art.3(1)(e), second indent, of the Directive reflects the legitimate aim of not allowing individuals to use registration of a mark in order to acquire or perpetuate exclusive rights relating to technical solutions.
- 83 Where the essential functional characteristics of the shape of a product are attributable solely to the technical result, Art.3(1)(e), second indent, precludes registration of a sign consisting of that shape, even if that technical result can be achieved by other shapes.
- 84 In the light of those considerations, the answer to the fourth question must be that Art.3(1)(e), second indent, of the Directive must be interpreted to mean that a sign consisting exclusively of the shape of a product is unregistrable by virtue thereof if it is established that the essential functional features of that shape are attributable only to the technical result. Moreover, the ground for refusal or

invalidity of registration imposed by that provision cannot be overcome by establishing that there are other shapes which allow the same technical result to be obtained.”

116. The opponent submits that all the features of the mark in suite are necessary to achieve a technical result. In his skeleton arguments and at the hearing, Mr Kitchen drew attention to the witness statements of Mr Gregory and Mr Lim. Mr Kitchen’s skeleton argument summarised Mr Gregory’s evidence on this point as follows:

- “(1) The curved recess or waist gives the bottle strength to resist lateral forces, improves top load resistance, resists any tendency to body wall panelling, provides rigidity to aid the printing process, assists with filling and packing by allowing travelling along guide rails and assists the consumer in handling the bottle.
- (2) The overall cylindrical shape is an efficient shape in terms of raw material usage and gives a lower surface area to volume ratio for a given capacity.
- (3) The tapered shoulder facilitates pouring and drinking and (by choice of the angle) aids compression strength and counteracts foaming during filling.
- (4) The neck opening assists with pouring and filling.
- (5) The “ridge” or platform and collar stiffens the body wall and improves the top to bottom compression performance and provides lateral strength.”

117. Mr Kitchen went on to submit that those findings are supported by Mr Lim with regard to the processes used to produce the opponent’s own container.

118. While Mr Kitchen conceded that it may be possible to achieve the same technical results by using other shapes, he stated that this was irrelevant in light of the findings of the European Court of Justice (above).

119. On behalf of the applicant, Ms McFarland criticised the approach of the opponent. She stated that in setting out an individual analysis of the individual features, the opponent ignored the synergy of the effect as a whole, adding that it imposed an ex post facto analysis to attribute alleged technical functions to those individual elements. Finally, Ms McFarland also contended that the opponent had not established the individual elements were solely, exclusively or attributable to technical result.

120. Ms McFarland submitted that the opponent’s approach, taken to its logical conclusion, would mean that no bottle shape container could ever be registered. Using examples of a car and clothing, she went through their constituent parts and commented that they could all be said to possess functional or technical features e.g. a car comprises bumpers, a bonnet, doors, wheels, windows etc. but, they could look very different in their totality.

121. Notwithstanding, the findings in *Philips NV v Remington Consumer Products* (see above), it seems to me that the position in relation to Section 3(2)(b) of the Act is far from straightforward. The public policy element is of considerable significance in that trade mark legislation is not intended to allow monopolies of technical solutions or characteristics, even if alternative

technical solutions or characteristics are available to others. However, it must follow that each case should be considered on its own merits having regard to the totality of the mark at issue, the goods for which registration is sought and the market place for such goods.

122. The goods of interest are milk drinks, in particular fermented milk drinks, and it is obvious that such goods do not possess a shape and must be sold in a container.

123. The mark in suit comprises a container and on a strict interpretation, it could be argued that all containers per se would fall foul of Section 3(2)(b) in that they exist to obtain an obvious technical result. Such an interpretation would in my view, be a nonsense as there are no particular categories of marks which should be automatically debarred from registration. However, it does assist in illustrating the point that, whether or not a particular shape of container is solely attributable to a technical result is very much a question of degree which must be considered in relation to the particular container and the totality of its shape and appearance.

124. Turning to the particular shape of the mark in suit, it possesses no obvious individual arbitrary features e.g. in the nature of patterning, on the bottle as such. Furthermore, it seems to me that Mr Gregory's points in relation to the individual features of the bottle are logical and persuasive in that the individual elements have a technical application and consequence. However, it does not follow that the mark as a whole consists exclusively of a shape necessary to obtain a technical result.

125. The opponent correctly points out that the availability of other shapes which could achieve the same technical result does not overcome the Section 3(2)(b) ground. However, I believe the applicant's warnings of the potential flaws in a deconstructive approach are well made in that a mark may in its totality amount to far more than the sum of its constituent parts and overall the shape of the applicant's bottle is some way from being exclusively attributable to its function.

126. The applicant has taken a particular approach in relation to each of the technical features of the design and selected from a palette of alternatives. Although each individual feature is, in my view, not in itself arbitrary in its nature, it seems to me that the resulting whole is, as a matter of degree, sufficiently divorced from the utilitarian and not without aesthetic appeal. Consequently, while the mark in suit may not be distinctive in that it would designate origin, I find that, in its totality, the mark does not consist exclusively of the shape of goods which is necessary to achieve a technical result. The opposition under Section 3(2)(b) fails.

## **SECTION 5(2)**

127. As the opponent has been successful under Section 3(1)(b) I do not intend to address the Section 5(2) ground. The guiding authorities make it clear that in relation to Section 5(2) marks must be compared as a whole, bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG* [1998] ETMR 1, page 224). Accordingly, if I am wrong in relation to Section 3(1)(b), this will have a fundamental impact upon Section 5(2) considerations and I see little point in taking this ground forward.



## **COSTS**

128. The opponent is entitled to a contribution towards its costs. I order the applicant to pay the registered proprietor the sum of £1,700. 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 10<sup>th</sup> day of March 2004**

**JOHN MacGILLIVRAY  
For the Registrar  
the Comptroller-General**

## ANNEX ONE

Application No.	Mark	Search Significant Date	Specification of Goods
2124031		18 February 1997	<p><b>Class 29:</b> Eggs, milk and dairy products; beverages having a milk base.</p> <p><b>Class 32:</b> Mineral waters, aerated waters, non-alcoholic drinks, syrups and preparations for making drinks.</p>
2174691	 <p>Mark description:  The mark consists of a three dimensional shape with the words "Vitagen" appearing on it.</p>	12 August 1998	<p><b>Class 29:</b> Eggs, milk and dairy products; beverages having a milk base.</p> <p><b>Class 30:</b> Coffee; tea; cocoa; artificial coffee; artificial tea; beverages based on or flavoured with coffee, tea, chocolate or cocoa.</p> <p><b>Class 32:</b> Mineral waters, aerated waters, non-alcoholic drinks, syrups and preparations for making drinks.</p>