

O-105-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2304053
BY ROBERT MCBRIDE LTD
TO REGISTER THE TRADE MARK:**



IN CLASSES 3 AND 5

AND

**THE OPPOSITION THERETO
UNDER NO 91255
BY
RECKITT BENCKISER (UK) LIMITED**

Trade Marks Act 1994

**In the matter of application no 2304053
by Robert McBride Ltd
to register the trade mark:**



**in classes 3 and 5
and the opposition thereto
under no 91255
by Reckitt Benckiser (UK) Limited**

Background

1) On 22 June 2002 Robert McBride Ltd, which I will refer to as McBride, applied to register the above trade mark (the trade mark). The application was published, for opposition purposes, in the “Trade Marks Journal” on 21 August 2002 with the following specification of goods:

preparations for perfuming the atmosphere; preparations for perfuming fabrics, wall and floor surfaces and textile articles;

insecticides; air freshening preparations; air purifying preparations; preparations for neutralising odours in fabrics, wall and floor surfaces and textile articles.

The above goods are in classes 3 and 5 respectively of the “International Classification of Goods and Services”. In the context of this case it is of importance to note that the application is **not** for a three dimensional trade mark.

2) On 21 November 2002 Reckitt Benckiser (UK) Limited, which I will refer to as Reckitt, filed a notice of opposition to the application. Reckitt is the owner of various earlier registrations and applications. At the hearing it concentrated its case on three of these earlier registrations:

- United Kingdom application no 2287388 for the trade mark **CRYSTAL**. The application is for the following goods:

perfuming preparations for the atmosphere, pot pourri, perfumery preparations, fumigation preparations, deodorants, room fresheners; but not including any such goods in the form of crystals, or in crystalline form;

air freshening preparations; fumigation preparations, deodorants, room air fresheners; but not including any such goods in the form of crystals, or in crystalline form;

dispensers and dispensing apparatus; deodorising apparatus; containers in the nature of pomanders for scenting the atmosphere, or for dispensing air freshening or air purifying preparations into the ambient atmosphere; but not including any such goods made from crystal glass.

The above goods are in classes 3, 5 and 21 respectively of the “International Classification of Goods and Services”.

- United Kingdom registration no 2293905 of the trade mark:



This trade mark consists of a three dimensional shape. It is registered for the following goods:

perfuming preparations for the atmosphere, pot pourri, perfumery preparations, fumigation preparations, deodorants, room fresheners;

air freshening preparations; fumigation preparations, deodorants, room air fresheners;

dispensers and dispensing apparatus; deodorising apparatus; containers in the nature of pomanders for scenting the atmosphere, or for dispensing perfumes, air freshening or air purifying preparations into the ambient atmosphere.

The above goods are in classes 3, 5 and 21 respectively of the “International Classification of Goods and Services”.

- United Kingdom registration no 2293797 of the trade mark:



The trade mark consists of a three dimensional shape. No claim is made to colour. It is registered for the following goods:

perfuming preparations for the atmosphere, pot pourri, perfumery preparations, fumigation preparations, deodorants, room fresheners;

air freshening preparations; fumigation preparations, deodorants, room air fresheners;

dispensers and dispensing apparatus; deodorising apparatus; containers in the nature of pomanders for scenting the atmosphere, or for dispensing perfumes, air freshening or air purifying preparations into the ambient atmosphere.

The above goods are in classes 3, 5 and 21 respectively of the “International Classification of Goods and Services”.

As at the Hearing these three trade marks were chosen to exemplify Reckitt’s best case in relation to earlier trade mark rights. Consequently, I see no purpose in rehearsing the details of the other trade marks upon which Reckitt relies.

3) Reckitt claims that it has a reputation in the use of containers or dispensers having an indented pattern set within a clear disc so as to present the appearance of an ornamental shape or pattern embedded within the disc and has established a particular reputation in the use of the word CRYSTAL applied to air freshening preparations sold in such containers or dispensers. Reckitt states that in the other opposition proceedings McBride has filed witness statements by Keith Leonard Hodkinson. Reckitt states that in his witness statements Mr Hodkinson refers to the trade mark as “a crystal like container”.

4) Reckitt states that the goods of the application and those of its earlier registrations and applications are identical or similar. It states that McBride’s trade mark is similar to its trade marks and having regard to its earlier comments there exists a likelihood of confusion of its trade marks with those of McBride. Consequently, registration of the trade mark would be contrary to section 5(2)(b) of the Trade Marks Act 1994 (the Act).

5) Reckitt claims that use of the trade mark is liable to be prevented by virtue of the law of passing-off. Consequently, registration of the trade mark would be contrary to section 5(4)(a) of the Act. Reckitt relies on the claimed reputation referred to above.

6) Reckitt states that the trade mark represents a three dimensional container or air freshening product sold by McBride. The trade mark was represented on the application form as a two dimensional drawing or label. Reckitt claims that McBride does not use the trade mark as a trade mark, either at all or as represented on the application, namely as a two dimensional badge of origin. Reckitt contends that McBride has no bona fide intention to use the trade mark as a two dimensional badge of origin. It claims that McBride uses the trade mark in the form of a container and acknowledges it to be so, as outlined in the statement of Mr Hodgkinson. Reckitt contends that, consequently, the application was made in bad faith to the extent that McBride, through its agent, stated that the trade mark is being used in relation to the goods encompassed by the application or that McBride has a bona fide intention that it should be so used, pursuant to section 32(3) of the Act. Consequently, Reckitt claims that registration of the trade mark would be contrary to section 3(6) of the Act.

7) Reckitt requests that the application is refused and seeks an award of costs.

8) McBride filed a counterstatement. In effect McBride denies the grounds of opposition. It does, however, admit Reckitt's claim about the statements of Mr Hodgkinson.

9) Only Reckitt filed evidence.

10) The case was heard on 30 March 2004. Reckitt was represented by Mr Michael Edenborough of counsel, instructed by Alexander Ramage Associates. McBride was represented by Mr James Mellor of counsel, instructed by Marks & Clerk.

EVIDENCE OF RECKITT

Witness statement of Adonis Souloglou

11) Mr Souloglou is employed by Reckitt as its marketing manager for air care products. He oversees all marketing activity for the CRYSTAL AIR FRESHENER range of goods.

12) Mr Souloglou states that in February 2002 Reckitt began preparations to create a new television advertisement. McCann Erickson, an advertising agency, was instructed to come up with four different scripts to be worked up into hard copy story boards, so that the script and concept for the new advertisement could be tested with focus groups. The focus groups took place on 18 and 19 June 2002 at Sutton Coldfield and Thames Ditton and were run by Millward Brown.

13) Mr Souloglou states that the focus groups were made up of seven or eight members of the public. All of the participants were female, two of whom had previously purchased CRYSTAL AIR, but all of whom were air care product users. Mr Souloglou exhibits a

copy of what I assume is a Powerpoint presentation made by Millward Brown to Reckitt on 27 June 2002. This presentation, which Mr Souloglou describes as a report, states that in fact the women were all regular purchasers of candles. Two from each group buy CRYSTAL' AIR and the remainder buy from a mix of brands and formats and none reject HAZE/AIRWICK products. They are all in social groups BC1C2. Two sessions were held at each location, the groups were divided by age: 20-30 years of age and 30-45 years of age. As the four groups comprised of seven or eight participants, the total number was between 29 and 31, I assume. The presentation clearly relates to the advertising strategy and little of it seems relevant to this case. A slide at page 31 of AS1 states that:

“Crystal’ Air was reasonably well-known within the groups from
Advertising
Seen in supermarket/elsewhere

.....

Respondents struggled with the name, but found the product easy to identify by the look...”

A slide at page 45 of AS1 states:

“Respondents had difficulty recalling the full brand name accurately as
Airwick Crystal’ Air from Haze

Referred to in variety of ways
Crystal Haze
Crystal Glade
Airwick Crystal etc etc

NB for a few ‘Crystal’ implies products format (crystals>gel)

Also queried relationship between Airwick and Haze

This made it difficult to disentangle the effect of the advertising on the parent brand

‘It’s like they’re advertising three things’

However they had no difficulty in identifying the products from its physical shape (respondents spontaneously comment on aesthetic nature of product driving purchase)

‘I couldn’t remember the name, I’d just remember the shape’”

14) Mr Souloglou states that once the consumer discards the packaging and retains the product there is no other identifier. Mr Souloglou states that Reckitt is striving with its marketing to use the “shape and format” of the product as probably (sic) the key marketing cue. He states that to this end Reckitt has instructed its advertising agency to improve scripts for its next television advertisement so that the shape and format are featured more prominently. He states that a new promotional leaflet has been created in the same shape as the CRYSTAL AIR FRESHENER. Mr Souloglou exhibits this at AS2. It identifies limited edition products for winter 2002. It appears, therefore, that this leaflet emanates from after the material date and after the Millward Brown presentation. The front of the leaflet has a picture of an AIR WICK FROM HAZE CRYSTAL’AIR product with no identification of the brand through name. However, in the rest of the leaflet that is a constant repetition of AIR WICK FROM HAZE CRYSTAL’AIR. Two types of product are seen in the leaflet, they are similar to Community trade mark registration nos 1985472 and 2564763.

15) Mr Souloglou refers to an exhibit from another opposition. However, the exhibit is not exhibited in these proceedings. Mr Souloglou states that in his view the trade mark is a two dimensional representation of McBride’s LIQUISCENT product. He exhibits at AS3 photographs of this product and its packaging.

Witness statement of Rekish Kapoor

16) Mr Kapoor is managing director of Reckitt. He states that Reckitt manufactures goods for the United Kingdom air care market which consist generally of aerosol, liquid, candles, electrical diffusers and gel products. Mr Kapoor states that there are three main participants in the market: Reckitt, SC Johnson and Sara Lee. He states that together these companies account for approximately eighty per cent of the market. Mr Kapoor states that there are few other manufacturers. He estimates that a quarter of all air care products have been on the market for between twelve and eighteen months.

17) Mr Kapoor states that in September 2000 Reckitt launched its air freshener under the CRYSTAL AIR trade mark. He states that the market consisted of products that were usually presented in plastic containers. Exhibited at RK2 are photographs of two such products – HAZE and GLADE.

18) Mr Kapoor states that such products have a relatively low sales prices and most often would be used by consumers in bathrooms where they would be hidden from general view. He states that this is because such products have an “emotional aspect” at the point of purchase. Mr Kapoor states that he means by this that some consumers purchase air care products because they wish to mask existing unpleasant odours, others because they wish to have a product available in case of unpleasant odours and others because they wish to enhance their environment with fragrances. Mr Kapoor states that because air care products have not been visually appealing that their use has been restricted to those parts of the house where they will not be frequently seen, such as the toilet.

19) Mr Kapoor states that Reckitt's research groups have shown that consumers will have two air care products, usually one that is in aerosol, which is frequently used but never displayed, a second which may be more aesthetically pleasing and may be displayed where appearance is more important, such as in the living room.

20) Mr Kapoor states that generally manufacturers ignored the aesthetic appearance of air care products and mostly concentrated on the performance of the products and the choice of products. Exhibited at RK3 are photographs of a selection of products available on the market with which the CRYSTAL AIR products competed at the around about the date of application for this trade mark, the material date. Beauty is in the eye of the beholder, I cannot see that various of the products are any more or less aesthetically pleasing than those made by Reckitt. The STEMS product shown uses incense sticks which have to be lighted. For reasons of safety, if no other, the product would need to be out in the open. I also note from the document exhibited at RK12 that in a comparison between GLADE DUET and CRYSTAL AIR, the respective products had scores of 0.9 and 1.2 under the criterion "looks attractive". A score of +2 indicates strong agreement. Photographs of GLADE DUET are included in exhibit RK3.

21) Mr Kapoor states that in 1997 Reckitt began to develop CRYSTAL AIR. He states that the intention behind the product was that it should use a gel which would enable constant fragrance performance for the life of the products. However, the major driving factor was that the product should be aesthetically acceptable to consumers for use in all parts of the house. He exhibits at RK4 photographs of the CRYSTAL AIR RANGE as of the material date. Two designs are shown – that of Community trade mark registration no 1985472 and that of Community Trade Mark registration no 1985761, the latter is promoted as being for use in cars. Mr Kapoor exhibits at RK5 a selection of the original samples of CRYSTAL AIR and CRYSTAL' AUTO products. These products are similar to Community trade mark registration nos 1985472, 2564763 and 1985761.

22) Mr Kapoor states that originally the CRYSTAL AIR product was launched under the HAZE brand. This brand is currently being phased out and replaced by the AIR WICK brand. At the moment the CRYSTAL AIR product appears in shops under the HAZE and AIR WICK brands, to educate the consumer as to the brand change.

23) Mr Kapoor exhibits at RK6 a copy of retail value chart created from data provided by AC Nielsen. He states that this shows that by November 2000 the CRYSTAL AIR product accounted for eight per cent of the United Kingdom market, amounting to £1 million per month and 500,000 units. The copy of this document is of a very poor quality. However, it shows that the product was launched in November 2000 and that the eight per cent share was reached at the end of December 2001. However, there would appear to be a market share not a great deal below the December 2001 figure as of December 2000, the quality of the copying does not allow for a clear picture. Mr Kapoor states that by August 2002, after the material date, monthly consumer spending was £1.1 million and total consumer spending at least £30 million.

24) Mr Kapoor states that CRYSTAL AIR could be defined as a “hyper-scent product” and of all products within that definition within the United Kingdom (products in a gel format) CRYSTAL AIR has approximately a 99% share. In relation to gel products, I note that the document exhibited at RK12 in relation to brand awareness shows HAZE gel having a 5% mention on spontaneous brand awareness, CRYSTAL AIR 3%, GLADE gel 6% (there is no indication if the CRYSTAL AIR figure includes the HAZE figure or part of the HAZE figure), own label gel 4% and NEUTRODOL gel 2%. This document also deals with brand experience and shows inter alia under “ever bought” GLADE gel at 11%, any HAZE gel at 8%, CRYSTAL AIR at 9% (there is no indication if the CRYSTAL AIR figure includes the HAZE figure or part of the HAZE figure), NEUTRODOL gel at 15%, own label gel/solid/stick-on at 12%. Exhibited at RK7 is a list of customers and the number of units supplied. These figures are a trifle confusing, they indicate numbers sold by 12 and 6 units. By July 2002 13,234,416 units x 12 had been supplied and 137,244 units x 6 had been supplied. It is not clear if the figures represent the total number of units sold or should be multiplied by a factor of 12 or 6. Taking into account that Mr Kapoor states later that by the beginning of 2002 some 12 million units had been sold it would not appear likely that the figures should be multiplied by the factors mentioned.

25) Mr Kapoor states that in 2001 £5.3 million was spent on marketing and £2.4 million on promotion. For 2002 the budget for marketing was £4.5 million and for promotion £2.6 million. He states that the majority of the marketing budget was spent on television advertisements. Mr Kapoor states that the primary target group for the product is housewives with children and that each target has had a 90% opportunity to see the advertisement ten times. Exhibited at RK8 is a CD which shows the advertisement, the CD includes a second version which substitutes AIR WICK for HAZE. The advertisements end with “HAZE fragrances that change your world” or “AIR WICK fragrances that change your world”.

26) Mr Kapoor states that there was a billboard campaign and exhibits a copy of the poster. He does not advise when this campaign took place. Mr Kapoor states that Reckitt regularly runs in-store demonstrations, where it has a stand attended by its staff presenting the product to supermarket customers and answering their questions. He exhibits an artist impression of a stand at RK10. Boldly shown on the stand are the trade marks AIRWICK, HAZE and CRYSTAL’AIR. There is no indication as to how many of these campaigns had been run by the material date. At the time of Mr Kapoor’s statement, June 2003, there had been over 2000 demonstrations. He exhibits at RK11 copies of the type of promotional material that was used. This material is not dated but part of it relates to winter 2002.

27) Mr Kapoor refers to the CRYSTAL’AUTO product which he states was introduced in January 2002, it is a companion product to the CRYSTAL’AIR product, being intended for use in the car rather than the home. He gives figures for sales of this product but they are not related to the material date in these proceedings but to April 2003 and so are no assistance to me. Mr Kapoor also refers to a CRYSTAL’AIR product in the shape of a

star. He states that this was introduced in August 2002 and so I cannot see what bearing it has upon this case.

28) Mr Kapoor exhibits at RK12 a copy of a presentation of the main findings by Telford Research in an early brand evaluation study of HAZE CRYSTAL AIR. This presentation represents the result of a street survey, none of the surveys have been adduced into the proceedings. The instructions for the interviewers are not given. The document states that the survey was amongst a sample of 418 housewives, male or female. I am not sure how a housewife can be male. The document does state, however, that 5% of the respondents were male. One of the overall conclusions of the document is that “CRYSTAL’AIR branding seems to be weak”. 8% of respondents claimed to be aware of the brand, there was a 7% proven recall and 56% prompted recall (with stills). In an analysis of the effect of the CRYSTAL AIR advertisement, 12% commented upon the look of the product and 5% that it looked like an ornament. As the total number of responses comes to 156%, I assume that respondents could give more than one response and so the 12% referred to above could have included the same people as the 5% figure. The document states that of those who bought the product, 40% bought it once, 25% twice, 13% three times, 12% four times, 2% five times and 7% six times or more. The document is about the CRYSTAL AIR brand and not the look of the product or its perception as a trade mark.

29) Mr Kapoor states that according to Homescan data, which he does not exhibit, in the twelve months prior to the beginning of 2002 approximately 1.5 million households in the United Kingdom had purchased a CRYSTAL AIR product with some 12 million units having been sold.

DECISION

Likelihood of confusion – section 5(2)(b) of the Act

30) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

The term ‘earlier trade mark’ is defined in section 6(1)(a) of the Act as follows:

“a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

Certain of Reckitt's trade marks are applications rather than registrations. Therefore, I have to take into account section 6(2) of the Act which states:

“References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

31) All of the trade marks upon which Reckitt relies are earlier trade marks as defined by sections 6(1)(a) and 6(2) of the Act.

32) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117 and *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* [2000] FSR 77.

33) This issue boils down to a simple matter of whether the earlier trade marks of Reckitt are similar to the McBride trade mark. Mr Edenborough in his submissions did not make any claims to a reputation for any of the trade marks under consideration at the material date. Indeed, the evidence of Reckitt in relation to this issue was not really touched upon. This evidence, in fact, shows public confusion and ignorance of the trade marks as of the material date. A new strategy was to be developed following the Millward Brown survey in June 2002 owing to this brand confusion. On the basis of the evidence I cannot see that Reckitt can claim any enhanced reputation in the particular trade marks which represent its best case.

34) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Sabel BV v Puma AG* page 224). The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components (*Sabel BV v Puma AG* page 224). The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind (*Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* page 84, paragraph 27).

The word trade mark

35) The comparison here is between the word CRYSTAL and:



Mr Edenborough submitted that the trade mark would be seen as the shape of a crystal and, therefore, would be similar to the word CRYSTAL. He looked to *The Golden Fan Brand, Dewhurst* [1896] 13 RPC 288 for support of his position. That case dealt with “a mere verbal description of a mark already on the register”. Whether what was considered right in 1896, holds good in 2004 is a moot point. So many things have changed, from methods of buying, the nature of shops to the literacy rate. However, if one accepts that the principle does hold good, this case rests upon the average consumer viewing the trade mark as a crystal. All that can be mustered for Reckitt upon this point is that Mr Hodkinson refers to the trade mark as “a crystal like container” in a statement. The statement is not contextualised by exhibiting the statement in full. The statement does not say it is a crystal but crystal like. However, this hardly matters. It is necessary for me to decide what the average consumer’s reaction to the trade mark would be. I can see no reason why the average consumer would see it as anything other than an abstract shape. There is nothing which suggests a crystal to me, the very nature of a crystal is vague in itself. What does this idealised crystal look like? I have no idea. There is nothing that suggests to me that the trade mark would be seen as a crystal. **I can find not the least hint of similarity between the trade mark CRYSTAL and the McBride trade mark.**

The “snowflake” trade mark

36) Mr Edenborough describes the trade mark the subject of registration no 2293905 as a snowflake. The trade marks to be compared are:

Earlier trade mark:



Application:



37) Mr Edenborough’s argument seemed to follow the following line. The earlier trade mark is a snowflake. McBride’s trade mark is for a crystal. The crystal could be a snow crystal, hence a conceptual similarity. As I don’t see the McBride trade mark as a crystal, and don’t believe, the average consumer would, I consider that the argument collapses; without going on the apparent syllogism of the conclusion. Mr Mellor said little on this matter; except that the trade marks are not similar. I really do not see that he needed to say any more. I simply cannot see any visual similarity between the respective trade marks, however imperfect the recollection, however hurried the purchaser, however

cheap the goods. **I find the claim that the respective trade marks are similar is untenable.**

The “star” trade mark

38) Mr Edenborough describes the trade mark the subject of registration no 2293797 as a star trade mark. The trade marks to be compared are:

Earlier trade mark:



Application:



39) I can draw no different a conclusion than I did in paragraph 37. I simply cannot see any visual similarity between the respective trade marks, however imperfect the recollection, however hurried the purchaser, however cheap the goods. **I find the claim that the respective trade marks are similar is untenable.**

40) For me to find that there is a likelihood of confusion the respective signs have to be similar. This is what the Directive states and it is what is pointed out in *Sabel*:

“it is to be remembered that Article 4(1)(b) of the Directive is designed to apply only if by reason of the identity or similarity both of the marks and of the goods or services which they designate, “there exists a likelihood of confusion on the part of the public”.”

Without similarity there cannot be confusion. **The opposition under section 5(2)(b) must fail.**

Passing-off – section 5(4)(a) of the Act

41) Mr Edenborough accepted that if he did not succeed under section 5(2)(b) of the Act, he could not succeed under section 5(4)(a) of the Act. **Consequently, the opposition under section 5(4)(a) of the Act is dismissed.**

Bad Faith – section 3(6) of the Act

42) According to section 3(6) of the Act:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

In this case the claim of bad faith is linked to section 32(3) of the Act, which states:

“The application shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used.”

43) Lindsay J in *Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd* [1999] RPC 167 stated:

“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes some dealings which fall short of the standard of acceptable commercial behaviour observed by reasonable and experienced men in the particular field being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.”

44) Mr Edenborough referred to the decision of Mr David Kitchin QC, sitting as the appointed person in *Ferrero SpA and Soremartec SA v Soldan Holding & Bonbonspezialitäten GmbH* BL 0/279/03. In that case Mr Kitchin stated:

“In the present case I believe that the allegation of bad faith was properly pleaded. The original pleading was far from full but, following amendment, it stated in relation to each registration:

"This registration was filed in “bad faith” and was therefore registered contrary to the provisions of section 3(6) of the Act. The proprietor did not at the time of filing and does not have any intention of using the trade mark the subject of the registration either at all or alternatively for all of the goods covered by the registration. Further, the proprietor simply filed this registration in an attempt to obtain an extended yet illegitimate coverage of the descriptive word “kinder” (being the German word for ‘child’). Our enquiries have revealed that this registration has not been genuinely used in the UK by the Registered Proprietor or with its consent on any of the goods for which it is registered during the past 5 years."

This allegation was supported by the evidence of Mr. Rickard to which I have referred. That evidence made clear the charge that was being made and the basis for it.

I have also come to the conclusion that the Hearing Officer was entitled to find the allegation established on the basis of the materials before him. By the date of Mr Rickard's declaration the Registered Proprietors had filed in excess of sixty applications to register trade marks including the word KINDER but had only ever used six. The number of applications had increased to some sixty eight by the date of Ms. Bucks' witness statement. The large number of unused applications and the period of time over which the applications had been made led Mr. Rickard to conclude that the Registered Proprietors were filing applications without any real and effective intention to use them. The evidence of Mr Rickard was never answered by the Registered Proprietors. No attempt was made to justify or explain the filing policy."

In that judgment Mr Kitchin also stated the following at paragraphs 23 and 24:

"I am unable to accept these submissions. Gromax makes it clear that bad faith is not limited to cases involving actual dishonesty and includes some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the area being examined. Section 32(3) of the Act requires an applicant for registration to state that the trade mark in issue is being used by the applicant with his consent in relation to the goods or services in relation to which it is sought to be registered, or that the applicant has a bona fide intention that it should be so used. Insofar as the applicant makes a materially false statement in this regard then I believe that the application is made in bad faith. This was clearly the view of Jacob J. in *De La Mer*, and he evidently had well in mind the difference in approach of OHIM as revealed by *Trillium*.

It is convenient at this point to deal with the further submission made by the Registered Proprietors that section 32(3) of the Act is ultra vires in that it seeks to impose an improper restriction on the term "bad faith" as it is used in section 3(6) of the Act. I do not accept this submission. It is indeed true that there is no equivalent of section 32(3) of the 1994 Act in the Directive but nevertheless, like Mr. Hobbs QC in *Demon Ale*, I see no reason to doubt that section 32(3) is compatible with Community Law. On the contrary, the eighth recital of the Directive expressly recognises the public interest in requiring that registered trade marks must actually be used. The same public interest was recognised by Jacob J. in clear terms in *De la Mer*."

45) The conclusion must be drawn from the decision of Mr Kitchin that a claim of bad faith can be maintained on the basis of section 32(3) of the Act. As Mr Kitchin comments it is a conclusion that Mr Geoffrey Hobbs QC, sitting as the appointed person, reached in *Demon Ale Trade Mark* [2000] RPC 355. It is to be noted that Mr Kitchin

made his decision after *Knoll AG's Trade Mark* [2003] RPC 10 in which Neuberger J had stated:

“All I would say is that the fact that there is no equivalent of s.32(3) of the 1994 Act in the Directive means that this Court should be reluctant, rather than eager, to find in favour of the sort of argument raised by the claimant here.”

(In the above case the issue related to the breadth of specification, rather than a claim of complete, alleged absence of intention to use.)

46) Mr Edenborough emphasised that McBride had filed no evidence to rebut the claim made by Reckitt; a claim that was clearly and specifically made. He submitted that the legal burden of proof still lay with Reckitt but that the evidential burden of rebutting the claim lay with McBride, a burden that it had not discharged. Mr Mellor submitted that McBride had filed no evidence as there was no real case to be answered.

47) There has been no dispute that the pictures exhibited at AS3 are pictures of the McBride product that is the subject of this application. It is also clear that McBride made a conscious and deliberate decision to apply for the trade mark as a two dimensional picture rather than as a three dimensional shape trade mark; the covering letter to the application form specifically refers to a “Hexagon 2D mark”.

48) Mr Edenborough submitted that under sections 32(2) and (3) of the Act the application must contain a representation of the trade mark which the applicant uses or intends to use, or is or will be used with the applicant's consent, for the goods or services of the specification. In this case, at the date of the application there was no intention to use the two dimensional trade mark, the evidence of Reckitt showing that in fact any use would be use of the goods themselves. Consequently, the trade mark should have been applied for as a shape mark. Mr Edenborough stated that it would have been easy enough for McBride to rebut this claim with a statement stating that it had such an intention. The writer of the statement could then have been subject to cross-examination. No statement was received from McBride. Mr Edenborough submitted that the two dimensional aspect of the application was important; being a two dimensional trade mark militated against any attack under section 3(2) of the Act, for instance. Mr Edenborough submitted that a prima facie case had been raised and not answered, as in *Ferrero SpA and Soremartec SA v Soldan Holding & Bonbonspezialitäten GmbH*. He emphasised that this was not a matter that could be cured afterwards, it was the intention at the time of application that mattered. Consequently, that at some later date McBride decided to use the trade mark as a two dimensional trade mark would not affect the outcome.

49) Mr Edenborough is correct in saying that an act of bad faith cannot be cured by a later action; the sinner might repent but his sin not does vanish with his repentance (see *Nonogram Trade Mark* [2001] RPC 355). However, the judgment as to whether there was actually an act of bad faith might be affected by later action. So later action cannot act like money as “the true Fuller's Earth for Reputations” but it can assist in coming to a conclusion as to whether there was in fact an act of bad faith. In this case there is

complete silence, in the terms of evidence from McBride, as to how it has or intends to use the trade mark and so post filing action cannot assist McBride.

50) Mr Mellor submitted that for bad faith to be found there had to be “a materially false statement”. He submitted that the difference between a two dimensional application for a trade mark and a three dimensional application for the same trade mark depends on what the two versions of the trade mark looked like. In this case, Mr Mellor argued that it was obvious from the contouring of the picture that it represented a three dimensional trade mark. Mr Mellor also argued that the test was for “experienced men in the men in the particular field being examined”. He stated that these men would not see the niceties between applying for a two dimensional version of a trade mark a three dimensional version, he saw this as a lawyer’s argument not one that would take place in commerce. To my direct question Mr Mellor stated that the application was for a two dimensional form of the shape of the goods. Mr Mellor also made various comments about the average consumer. I cannot see that in the matter of bad faith the views of the average consumer’s perception is of relevance. The issue turns on the intent and nature of the action of the applicant. Mr Mellor also commented that there was not a rigid compartmentalisation between types of trade marks, what mattered was what was represented on the register. McBride might not have used the trade mark in the form applied for yet but it had five years from the date of the completion of the registration process to make such use. Mr Mellor also submitted that McBride would be entitled to use the trade mark as a picture on packaging, for instance.

51) Mr Mellor argues that in this case there is no real difference between the application having been for a two dimensional form rather than as a three dimensional form. With the 1994 Act the position in *Philips Electronics NV v Remington Consumer Products Ltd (No1)* [1998] ETMR 124 where a two dimensional trade mark was treated as a three dimensional one can no longer hold. The registration in question had been registered under the 1938 Act where there was no facility to apply for three dimensional trade marks. There now is such a facility, a facility that allows for difference and divergence between the trade marks. Mr Mellor argues that commercial men would not see the difference between a two dimensional trade mark and a three dimensional trade mark. What he is saying is that they would not see the difference between the goods and a representation of the goods, if that is the case here. I think the commercial man can see the difference between a slice of cake and a picture of a slice of cake, he knows which one he can eat and which he cannot. Equally, I consider that the commercial man can understand the wording in box four of the application form – “If the mark is not a word or picture indicate here (*for example 3-dimensional*)”. In this case these particular commercial men, through their agents, have most specifically indicated that they wish to apply for a two dimensional trade mark. They have actually spelt this out, a clear and definite choice being made not to apply for a three dimensional trade mark. If they did not know the difference why spell out that it is for a two dimensional trade mark? Mr Mellor also argues that the trade mark would be seen on the register as representing the goods and that is what matters. I cannot agree with him. My reaction to the trade mark was that it was a device trade mark, it is only from the evidence in this case that I saw it as a two-dimensional representation of the goods. Indeed, even then it is a rather poor

representation. If it represents the goods where are the views showing the sides and reverse of the produce? Of course, they could not be filed as that would contradict the claim that the application was for a two dimensional trade mark. The argument that what counts is what is on the register and will be seen, in my view, does not assist the case of McBride. In *Sieckmann v Deutsches Patent- Und Markenamt* Case C-273/00 [2003] RPC 38 the European Court of Justice stated:

“On the one hand, the competent authorities must know with clarity and precision the nature of the signs of which a mark consists in order to be able to fulfil their obligations in relation to the prior examination of registration applications and to the publication and maintenance of an appropriate and precise register of trade marks.

On the other hand, economic operators must, with clarity and precision, be able to find out about registrations or applications for registration made by their current or potential competitors and thus to receive relevant information about the rights of third parties.

If the users of that register are to be able to determine the precise nature of a mark on the basis of its registration, its graphic representation in the register must be self-contained, easily accessible and intelligible.

Furthermore, in order to fulfil its role as a registered trade mark a sign must always be perceived unambiguously and in the same way so that the mark is guaranteed as an indication of origin. In the light of the duration of a mark's registration and the fact that, as the Directive provides, it can be renewed for varying periods, the representation must be durable.

Finally, the object of the representation is specifically to avoid any element of subjectivity in the process of identifying and perceiving the sign. Consequently, the means of graphic representation must be unequivocal and objective.

In the light of the foregoing observations, the answer to the first question must be that Article 2 of the Directive must be interpreted as meaning that a trade mark may consist of a sign which is not in itself capable of being perceived visually, provided that it can be represented graphically, particularly by means of images, lines or characters, and that the representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective.”

If this trade mark is supposed to tell the competent authority or other economic operators that it is the goods, it markedly fails so to do. The representation does not do it and more importantly the absence of a claim to three dimensionality tells these persons that it is not the goods. As Mr Edenborough submitted there are advantages in applying for a trade mark as a two dimensional form, it militates against objection or opposition under section 3(2) of the Act. I would add that it can also allow a trade mark to pass under the radar and avoid possible challenge under sections 3(1)(b) and/or (c) of the Act.

52) I just don't buy Mr Mellor's argument that there is neither any great difference between applying for the trade mark as a two dimensional trade mark rather than a three dimensional trade mark. Nor do I buy the submission that men of business do not understand the difference between two dimensional and three dimensional. Even if they might have been in a state of ignorance, despite the agency of their trade mark attorneys, they should be able to read box 4 of the form and understand what they are signing up to. In this case the matter goes further, a covering letter being sent specifically described the trade mark as being a two dimensional trade mark.

53) The issue is whether McBride applied for a two dimensional trade mark in the knowledge that it would be using it as a three dimensional trade mark. Mr Mellor rightly says that McBride could use a two dimensional form in packaging. Advertising would invariably use a two dimensional form of the goods, whether it would make use of that particular trade mark is a moot point. Future use might be made of the trade mark as filed but as has been discussed, future use cannot cure an act of bad faith. In this case one is also only talking about potential future use. There is no evidence of use of the trade mark since its filing, although there is evidence of use as the goods themselves.

54) Reckitt lay down the gauntlet. It made its ground of opposition under section 3(6) clear and precise. It also furnished undisputed evidence of use in the market place of the goods. As Mr Edenborough pointed out it was easy enough to rebut the claim. A short witness statement could do the job. No witness statement was filed, no evidence was filed. I consider that Reckitt made a clear and precise prime facie case, one that had to be answered with some form of evidence. Reckitt stated that McBride made this application with no intention to use the trade mark as filed. As I have said above I do not buy the argument that there is no effective difference between a two dimensional "representation" and a three dimensional trade mark nor that commercial men would not know the difference. McBride, through its agents, was signing up to the whole of the application form, including box 4. Extensive help is also available from the Patent Office in completing the form including notes which tell the applicant:

"Section 4 If your mark is not a word, logo or picture, please tell us exactly what it is. For example, it could be a three-dimensional shape."

In the absence of an evidential response to a clear and specific ground of opposition, a ground of opposition that demanded an evidential response, I consider that there can be only one outcome. I must come to the conclusion that at the date of application McBride did not intend to use the trade mark for the goods in the specification. So McBride is caught by the finding of Mr Kitchin:

"Insofar as the applicant makes a materially false statement in this regard then I believe that the application is made in bad faith."

55) I find that McBride had no bona fide intention to use the trade mark as filed in relation to the goods for which registration is sought as required by section 32(3) of the Act and consequently that the application was made in bad faith and so the application is to be refused under section 3(6) of the Act.

Costs

56) Reckitt Benckiser (UK) Limited has been successful in this opposition and so is entitled to a contribution towards its costs. I order Robert McBride Ltd to pay Reckitt Benckiser (UK) Limited the sum of £ 2,200. 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 15th day of April 2004

**David Landau
For the Registrar
the Comptroller-General**