

O-367-10

In the matter of UK Trade Mark Applications 2482441 and 248442
in the name of

FRESH DIRECT HOLDINGS LIMITED

In the matter of an Appeal to the Appointed Person from the decision of A J
Pike, acting on behalf of the Registrar, dated 30 April 2009

DECISION

Introduction

1. This is an appeal from the decision of the Registry in relation to two trade mark applications: 2482441 and 2482442.
2. 2482441 is applied for in classes 29, 31 and 39 for the marks set out below:



FRESH DIRECT

3. The products and services for which the mark is applied for are as follows:

Class 29: Meat, fish, poultry and game; meat extracts; preserved, dried and cooked fruits and vegetables; jellies, jams, fruit sauces; eggs, milk and milk products; edible oils and fats.

Class 31: Agricultural, horticultural and forestry products and grains not included in other classes; live animals; fresh fruits and vegetables; seeds, natural plants and flowers; foodstuffs for animals; malt.

Class 39: Transport; packaging and storage of food products.

4. It will be noted that the first two marks in the series are device marks including a logo showing a fruit being picked by hand. The third mark is simply a word mark for the name “FRESH DIRECT”. The hearing officer held that the marks did not satisfy the requirements of a series as set out in s41(2) of the Trade Marks Act 1994, namely that they must “*resemble each other as to their material particulars and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark*”. This was plainly correct. It was common ground before me that although the two device marks were properly applied for as a series, the word mark was not properly part of the series. This is however a matter of procedure only, since (the application pre-dating October 2009) the word mark could (if valid) be simply divided out into a separate application. I therefore still

need to consider the substantive objections to registration.

5. Application 2482442 is applied for in respect of the same products and services in the same classes 29, 31 and 39 for the marks set out below:



6. The same series point applies as above. Once again it is common ground that the word mark would be divided out into a separate application if it were otherwise registrable.
7. The hearing officer refused both marks in their entirety under the provisions of s3(1)(b) and 3(1)(c) of the Act.
8. However, after the decision of the hearing officer, the applicant filed two further applications in identical form, 2502011 and 2502012. This time the applicant relied partly on distinctiveness acquired through use.

These applications succeeded in part. Specifically, the device marks of application 2502012 (which is the equivalent of 2482441 “FRESH DIRECT” with handpicking device) were accepted for the same goods and services and classes 29 and 39 and for a more limited class of goods (“fresh fruit and vegetables”) in class 31. This is because the Registry now took the view (contrary to its previous decision on the same mark in the present case) that the device mark was inherently distinctive in classes 29 and 39. In class 31, the mark was accepted as having acquired distinctiveness through use in relation to fresh fruits and vegetables. It was refused for the other goods in class 31.

9. The device marks of application 2502011 (which is the equivalent of 2482442 “FRESH DIRECT LOCAL” with gate device) were also (again contrary to the decision on the same mark in the present case) accepted, though this time only for a limited class of goods in class 29 (“meat extracts, preserved, dried and cooked fruits and vegetables, jellies, jams, edible oils and fats”). The purpose of this limitation seems to have been to exclude fresh products. The case on acquired distinctiveness was rejected in respect of this mark.
10. At the hearing before me, Dr Trott accepted (insofar as there were inconsistencies between the decisions on 2502011 and 2502012 and the

decision in the present case) that the later decision should be preferred. He also accepted that there was some inconsistency in the decision on 2502011 in relation to inherent distinctiveness of FRESH DIRECT LOCAL with gate device. It should clearly have been accepted as being inherently distinctive for the services of class 39 as well as the limited class of goods in class 29. He continued to maintain that it was right to refuse FRESH DIRECT LOCAL with gate device in class 31 because it was devoid of distinctive character in relation to fresh fruits and vegetables.

11. By reason of (a) the outcome of these later applications; (b) the concession of the applicant on the “series marks” issue; (c) the concession of Dr Trott in relation to class 39, a number of the issues raised on this appeal are now redundant. The issues remaining for decision are as follows:
 - (i) Registrability of FRESH DIRECT word mark in classes 29, 31 and 39;
 - (ii) Registrability of FRESH DIRECT LOCAL word mark in classes 29, 31 and 39;
 - (iii) Registrability of FRESH DIRECT LOCAL device mark in class 31 and for the remainder of the goods applied for in class 29;

- (iv) Registrability of FRESH DIRECT device mark for the remainder of the goods applied for in class 31.

Registrability of the name FRESH DIRECT

12. The application for FRESH DIRECT as a word mark was refused under sections 3(1)(b) and 3(1)(c) of the Trade Marks Act 1994. I shall deal with s3(1)(c) first. This is in the following terms:

“3(1) The following shall not be registered –

(c) trade marks which consist exclusively of signs or indications which may serve in the course of trade to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services.

13. The purpose of the prohibition on registration of signs of this kind is, as explained by the ECJ in Case C-191/01 P (“DOUBLEMINT”) at paragraphs 30 and 31, the public interest in preventing any individual trader in obtaining a monopoly by registration of signs and indications which other traders might legitimately wish to use because of their descriptive utility. The law presumes in such a case that the sign does not fulfil the primary function of a trade mark which is to indicate the origin of goods or services provided under it.

14. A trader may of course obtain trade mark rights in such a mark if he demonstrates that, by reason of his use of the mark, it has become sufficiently distinctive that it in fact serves as an indication of origin in the minds of the relevant public (or a significant proportion thereof). See Case C-108/97 (“WINDSURFING CHIEMSEE”). In such a case, the presumption that the sign does not fulfil the function of a trade mark will be overcome. This exception to the rule is set out in the proviso to s3(1) of the Act.
15. In the present case, the applicant’s primary case is that the sign FRESH DIRECT does not fall within the “descriptiveness” exclusion in s3(1)(c) at all. Its secondary case is that as a result of its substantial use of the sign, it has acquired sufficient distinctiveness in the minds of the relevant public to be registrable under the proviso.
16. I shall deal with the primary case first.
17. In Case C-363/99 (“POSTKANTOOR”) the ECJ said the following at paragraph 97:

“A word must ... be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned...”

In Case T-348/02 (“QUICK”) the ECJ said in the context of Article 7(1)(c) of Regulation 40/94 [the equivalent of s3(1)(c) of the Act] *“it is necessary to determine...whether for the section of the public targeted there is a direct and specific relationship between the word ...and the products in respect of which the application for registration was [made].”*

18. In this case, I believe that there is a “direct and specific” relationship between both the words comprising the mark (“FRESH” and “DIRECT”) and the goods and services in relation to which registration is sought. The goods in class 29 and 31 are foods of various kinds. The services in class 39 relate to the packaging of food and the transportation (inter alia) of food. It is obvious that the word FRESH is very closely associated in the public mind with food and the delivery and packaging of food. The word DIRECT is commonly used to describe food and other items delivered straight to the consumer.
19. The only question therefore is whether there is something in the combination of the words FRESH and DIRECT which renders the mark no longer descriptive of the goods and services provided under it. The correct approach to trade marks consisting of a combination of descriptive words under s5(1)(c) is set out by the ECJ in the case of

Campina Melkunie BV v Benelux-Merkerbureau C-265/00

(“BIOMILD”). At paragraph 43, the Court said as follows:

“a trade mark consisting of a neologism composed of elements each of which is descriptive of characteristics of the goods or services in respect of which the application is sought is itself descriptive of the characteristics of those goods or services for the purposes of that provision, unless there is a perceptible difference between the neologism and the mere sum of its parts: that assumes that, because of the unusual nature of the combination in relation to the goods or services, the work creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts.”

20. In my view the impression created by the combination of the words FRESH and DIRECT is no more than the sum of its parts. I believe that the public’s immediate reaction to the words “FRESH DIRECT” in the context of food would be to understand them as referring to the fact that the food was fresh and was delivered direct from the producer, as in the phrases *“fresh milk, direct from the farm”*, or *“we buy our carrots fresh, direct from the grower”*. In the circumstances, I consider that the sign “FRESH DIRECT” designates characteristics of foods in

class 29 and 31 and the transportation of foods in class 39.

21. For the applicant, Mr Furneau of Rouse & Co. relied on the well-known decision of the ECJ in Case No. 383/99 (“BABY-DRY”). There, the ECJ said at paragraph 43: *“Whilst each of the two words in the combination may form part of expressions used in everyday speech to designate the function of baby’s nappies, their syntactically unusual juxtaposition is not a familiar expression in the English language, either for designating babies’ nappies or for describing their essential characteristics.”* They continued at paragraph 44: *“Word combinations like BABY-DRY cannot therefore be regarded as exhibiting, as a whole, descriptive character; they are lexical inventions bestowing distinctive character on the mark so formed and may not be refused registration under Article 7(1)(c).”*
22. Insofar as the judgment in BABY-DRY suggested that any *“syntactically unusual juxtaposition”* of descriptive words or any combination of descriptive words which is *“not a familiar expression in the English language”* must fall outside the prohibition in Article 7(1)(c) [or s3(1)(c) of the Act], this is plainly no longer good law following BIOMILD. These may be factors in determining whether a mark is descriptive, but they are not determinative. The determining question is whether the combination of descriptive words is so unusual

or imaginative as to create an impression which is perceptibly different from the sum of its parts. I do not believe that FRESH DIRECT satisfies this test.

23. Turning to the applicant's secondary case, the question is whether, as a result of the use made of the mark FRESH DIRECT, it has acquired a distinctive character.
24. In support of its case of acquired distinctiveness, the applicant relied on the evidence of use with which it had successfully obtained registration for the mark FRESH DIRECT with handpicking device in class 31. This comprised a witness statement of David Burns, the Managing Director of Fresh Holdings Limited, dated 9 September 2009.
25. The relevant date for the trade mark applications is 20 March 2008. It is obvious from Mr Burns' evidence and its exhibits that as of that date the company Fresh Direct Holdings Limited had a very substantial trade under the mark FRESH DIRECT in the supply of fresh fruit and vegetables. It is equally obvious that this trade was exclusively with business customers. The applicant was able to point to no evidence from which one could draw the conclusion that the mark FRESH DIRECT had impinged to any significant extent on the minds of the public generally other than (i) a sponsorship deal with a show jumper

called Tim Stockdale; (ii) the fact that lorries driving around the country bearing the FRESH DIRECT brand and livery will have been seen by members of the public. I do not consider this evidence to be sufficient to conclude that the mark was at the relevant date well-known to the general public or to any substantial proportion of the general public.

26. I conclude from this evidence that at the relevant date the mark had acquired distinctiveness in the field of fresh fruit and vegetables amongst trade customers for those goods. However, this is not sufficient in my view to justify registration of the mark. First of all, of course, the distinctiveness is only within a narrow subset of the application in one of its classes (class 31). No evidence has been provided of any trade in any goods in class 29 or any goods in class 31 apart from fruit and vegetables. So far as class 39 is concerned, it seems to me that the applicant does not provide customers with transportation services or packaging and storage of food services.
27. Secondly, even in the narrow field of fruit and vegetables, I do not consider that fame or reputation purely with business customers for those products is sufficient to justify registration of the mark. Acquired distinctiveness, as explained by the ECJ in a different context in Philips

v Remington [2003] RPC 2 at paragraph 65 is to be judged by reference to the average consumer. The test given in Case No. C-108/97 (WINDSURFING CHIEMSEE) was whether “*the relevant class of persons, or at least a significant proportion thereof, identify the goods as originating from a particular undertaking because of the trade mark.*” On any view, the vast bulk of customers for fruit and vegetables are members of the general public. I do not consider that acquired distinctiveness in the minds of a small, though economically highly significant, sub-set of those customers is sufficient. Unless and until it is demonstrated by evidence that the mark FRESH DIRECT has established a secondary meaning denoting the applicant’s business amongst a significant number of members of the general public, it therefore cannot be said that it has become sufficiently distinctive to justify registration as a trade mark.

28. In submissions made after the hearing in relation to the evidence of acquire distinctiveness, Mr Furneau put forward a fall-back position, namely that the mark could be registered with a limitation along the lines of “*all of the aforementioned goods to be sold in bulk on a wholesale basis*”. The Registry have not commented on this suggestion, but my immediate reaction is that it gives rise to serious problems. I fail to see how a trade mark for goods can properly be

defined by reference to trade channels or by reference to the quantity of goods sold. It may be possible that references to “bulk” can sometimes assist in differentiating one category of goods from another (say “bulk iron” for example as against “finished products made from iron”) , but I cannot see how this can be the case for fruit or vegetables. In any event, a change to the specification of goods of this order would clearly have to be raised with the Registry in the first instance as a proposed amendment to the application, or by way of a fresh application. It is not a matter on which I can properly rule.

29. In all the circumstances, I find that the FRESH DIRECT word mark was properly refused under s3(1)(c) of the Act. It is therefore unnecessary to consider the alternative objection under s3(1)(b).

Registrability of FRESH DIRECT LOCAL word mark

30. Mr Furneau rightly did not contend that the addition of the word “LOCAL” could assist his case on inherent distinctiveness or acquired distinctiveness. If anything the case on acquired distinctiveness is weaker because this mark has not been used for as long as the mark FRESH DIRECT. In the circumstances, I find that the FRESH DIRECT LOCAL word mark was properly refused under s3(1)(c).

Registrability of FRESH DIRECT LOCAL device marks

31. As I have pointed out, the Registry refused the FRESH DIRECT LOCAL device marks in all three classes on the basis that the device element (a depiction of a gate in a hedge) added nothing to the descriptive words. However, it now takes the position that the device marks should be allowed in respect of all the class 29 goods and all the class 39 services, but not allowed in respect of any of the class 31 goods. The reason for drawing this distinction is (as I understand it) that the device simply bolsters the idea that the goods are fresh and locally produced, which may be descriptive of goods in class 31 but not of goods in class 29. A mere glance at the specification of goods is enough to show that there is no basis for such a distinction. Meat, fish, poultry, eggs and milk are all products which may be fresh and locally produced, and they fall in class 29.
32. However, mere inconsistency in the Registry's position is not enough to determine the case. I must decide whether in fact the addition of the device is enough to give inherent distinctiveness to the mark. In my view it is. A gate in a hedgerow is a pleasant bucolic scene. It is not descriptive of any of the goods which the mark is applied for in class 31. At best it can be said that it alludes to that rare kind of local

producer of fruit or vegetables who would be happy to allow an overgrown hedgerow to interfere with his gate and no doubt encroach onto the field where he was growing his crops. Such allusions are commonplace in trade marks and I believe that the average consumer would see this trade mark as a whole, including the gate and hedge device, as (in the words of Geoffrey Hobbs QC in QUICK WASH ACTION BL 0/205/04) as “*origin specific*” as opposed to “*origin neutral*”.

33. Both the hearing officer and Mr Trott at the hearing before me relied on the decision of Richard Arnold QC (as he then was) in the case of SUN RIPENED TOBACCO. I do not accept that this decision is of any real relevance to the present case. All cases turn on their own facts. There, a simple device of a sun was positioned over the words “sun ripened tobacco”. Not surprisingly, the Appointed Person in that case considered that it added nothing save to reinforce the descriptive message of the words. In my view the same cannot be said of the device in the present case. It is allusory at most. This conclusion is reinforced by the decision of the Registry to permit registration of the device mark in relation to the goods in class 29.

Registrability of FRESH DIRECT device mark for the remaining

goods in class 31

34. It will be recalled that the Registry's position is now that the FRESH DIRECT device marks may be allowed across the whole scope of classes 29 and 39 but only in respect of "fresh fruit and vegetables" in class 31.
35. It is hard to understand the logic of this position. If the mark is permissible for meat and fish, why is it not permissible for forestry products and malt? Furthermore, my findings in relation to the inherent distinctiveness of the FRESH DIRECT LOCAL device marks apply *a fortiori* in respect of this device mark. I therefore conclude that the FRESH DIRECT device marks should be allowed across the whole scope of class 31.

Conclusion

36. I therefore hold as follows:
- (a) The device marks of application 2482442 should be allowed for the whole specification of goods and services in all classes;
 - (b) The refusal of the word mark of application 248442 stands;
 - (c) The device marks of application 248441 should be allowed for the whole specification of goods and services in all classes;

(d) The refusal of the word mark of application 248441 stands.

Costs

37. In the light of the various concessions made by the Registry and the partial success of both sides, I make no order as to costs.

Minute of Order

38. I will draw up a minute of order if requested to do so, but in the light of my summary of findings in paragraph 36 and the absence of any costs order the parties may consider that it is not necessary.

IAIN PURVIS QC

THE APPOINTED PERSON

6 October 2010