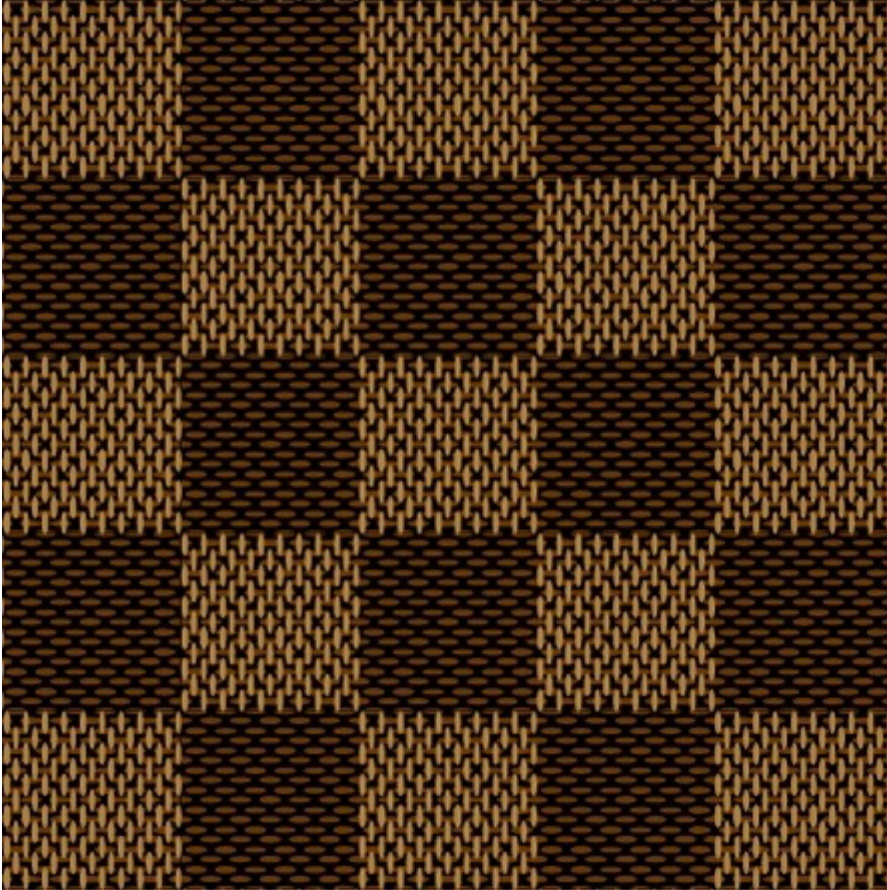


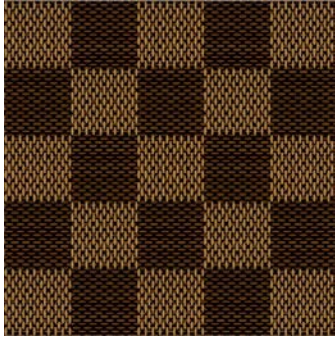
O/034/16

REDACTED

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NUMBER 3025916
BY LOUIS VUITTON MALLETIER
TO REGISTER THE FOLLOWING MARK
IN CLASS 9:**



**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NUMBER 3025916
BY LOUIS VUITTON MALLETIER
TO REGISTER THE FOLLOWING MARK
IN CLASS 9:**



Background

1. On 11 October 2013, Louis Vuitton Malletier ('the applicant') applied to register the above trade mark. My statement of grounds refers to the trade mark, variously, as 'the sign', 'the pattern', 'the DAMIER canvas' or simply 'the DAMIER'. The specification of goods, as originally filed, reads as follows:

Class 09: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking [supervision], life-saving and teaching apparatus and instruments; apparatus for recording, transmission and reproduction of sounds and images; magnetic data carriers, phonograph records; bags and cases for photographic apparatus or video camera; compact discs, DVDs and other digital data carriers; calculating machines; data processing equipment and computers, computers and equipment for computers, mouse pads, computer softwares, USB sticks, electronic agendas; computer game programs; computer programs [programs] recorded, mobile phones and computer programs [downloadable software] and publications in electronic form supplied on-line from databases or from the Internet (including web sites); spectacles, sunglasses, spectacle frames, spectacle glasses, contact lenses; spectacle or contact lenses cases; signalling buoys, marking buoys; telephones, mobile phones, smart phones, tablets, electronic personal assistants and mp3 players; accessories for telephone, mobile phones, smart phones, tablet devices, PDAs and mp3 players, namely hands-free kits for telephones, batteries, back covers, covers, faceplates, chargers, neck straps or cords; telephone receivers, mobile phones and telephone equipment bags and cases.

2. In an examination report dated 26 November 2013, the Intellectual Property Office ('IPO' or 'Registry') raised an absolute grounds objection to the application on the following lines:

“Section 3(1)(b)

The application is not acceptable in Class 9. There is an objection under section 3(1)(b) of the Act as the mark is devoid of any distinctive character. This is because the mark appears to be a non-distinctive repeat pattern which could be applied to e.g. the packaging, bags and cases of the goods.

The objection will be reconsidered if you provide me with examples of the actual mark in use on the goods for which cover is being sought.”

3. By letter dated 27 January 2014, the attorney for the applicant, D Young & Co., sought a two-month extension in which to respond to the objection. This was subsequently granted by the IPO, taking the period for reply to 27 March 2014.
4. A substantive response was made by the attorney in her letter dated 27 March 2014 which included lengthy submissions addressing the *prima facie* case, as well as a comprehensive account of both the history of the use of the sign and the allegedly high level of third-party recognition it enjoys. This latter point was supported by the submission of various magazine articles, newspapers and blogs. At this stage in the application, none of this material was in the required form of evidence, that is, it was *not* accompanied by any witness statement or statutory declaration. The applicant also drew attention to a catalogue of counterfeiting activity which, it said, supported the submission that the sign functioned as a trade mark of the applicant. It also noted that whilst most of the use related to goods such as bags in class 18 (and in respect of which the applicant had already secured registered rights in many countries across the EU), there was a clear crossover in trade between such accessories in class 18 and those now applied for in class 09.
5. The examiner rejected these arguments in a letter dated 16 May 2014, stating, in short, that he did not consider the sign to be distinctive, that the goods were not luxury items in his opinion, and nor was there the claimed commercial crossover between the goods of class 18 and those of class 09. The applicant then requested to be heard.
6. Following an *ex parte* hearing on 13 August 2014, the hearing officer maintained the objection under section 3(1)(b), largely relying upon the OHIM First Board of Appeal's decision in Case R 1855/2011-11, which concerned a cancellation action against the applicant's same mark in class 18. The hearing officer noted that many of the submissions made in the OHIM proceedings had also been made in the IPO action.
7. The applicant's attorney, Ms Gemma Kirkland of D Young & Co, indicated that the applicant sought to rely on acquired distinctiveness through long-standing use. She said that the goods of interest to the applicant in class 09 (such as covers for smart phones, for example) are a natural extension of goods in class 18, and consumers used to seeing the DAMIER canvas design in relation to e.g. handbags and wallets, will recognise it in relation to other fashion accessories such as those found in class 09.

O/034/16

8. The hearing officer gave two months from the date of his letter in which to both file formal evidence of acquired distinctiveness, and to present submissions in relation to the question of similarity between goods in classes 09 and 18.
9. It is clear to me, then, that at this point in the application process, the *ex parte* hearing officer had *not* undertaken any formal assessment of acquired distinctiveness, either at the hearing or immediately afterwards. This is the case notwithstanding the fact that informal and draft examples of use, which may be regarded as being putative evidence of acquired distinctiveness, had been filed prior to, or at, that hearing (see paragraph 4 above).
10. Following the hearing, the attorney requested an extension of two months by letter dated 24 October 2014. This was allowed, taking the period for response up to 29 December 2014.
11. By letter dated 23 December 2014, formal evidence of acquired distinctiveness was submitted in the form of a witness statement and accompanying exhibits by Ms Marie-Caroline Toussaint (in-house IP Counsel for the applicant) dated 15 December 2014. The statement detailed the use made of the sign, as well as addressing the question of the link between the class 09 and class 18 goods. The more detailed submissions contained within the Witness Statement and Exhibits can be summarised as follows:
 - Ms Toussaint states that patterns are used as ‘source identifiers’ in the fashion industry, and that companies such as Fendi, Gucci, and the applicant itself have all used such patterns for a number of years;
 - In the applicant’s case, the DAMIER canvas has been used for over 100 years. Exhibit 2 to her witness statement comprises a survey conducted by the applicant in 2011 intended to show that a surface pattern can be associated with a particular brand. The majority of people surveyed (an average of 56.8% with a peak of 61%), consisting of men and women aged between 18-64 and from various walks of life in key countries such as France, Germany, Italy, Spain and the UK, answered positively to the question “*do you think that a pattern covering the total surface of a leather good article can be associated with a particular brand?*”. When the same question was specifically posed to buyers of luxury leather goods, the average percentage of affirmative replies rose to 72.6%.
 - Examples of patterns, without verbal components, and which have been registered as trade marks have been shown including examples owned by Fendi, Gucci and Dior Canage.
 - The DAMIER canvas has been referred to in ‘Rake’ magazine of January 2014 as “*this iconic pattern...*”. Articles from other specialist magazines (such as Vogue, Liberation and Elle) have also been exhibited, all of which reinforce the fact that logos, monograms, initials and patterns can be regarded as source identifiers, or at the least, as being innately ‘unique’ and ‘iconic’.

O/034/16

- The history of the DAMIER in the UK started in 1888 when the pattern was used on hard-sided luggage. The DAMIER check is described as being “*characterised by a checker pattern of light and dark brown with unusual contrast of weft and warp giving the impression of weaving*”. The original intention was to create a pattern unique to the applicant and although the pattern was created in the colour brown, later use has been in a variety of colours.
- The DAMIER was re-launched in 1996 and used on bags and handbags predominantly. It has been successfully registered in France and in other countries, and a Community Trade Mark was registered under number 4041679, which covers items similar to those for which this application has been made.
- The DAMIER canvas has become a permanent fixture of the applicant’s product range, and is its second most popular line. Examples of the sign in use are given in Exhibit 6, and these examples have been featured in many high profile fashion magazines such as Elle, Vogue and others.
- Promotional figures are provided which reflect ‘annual media investment’ and these read as follows:

MATERIAL REDACTED

- The range is available across many stores in the UK and these are listed at Exhibit 9.
- Turnover figures, in respect of DAMIER accessories, have also been provided as follows:

MATERIAL REDACTED

- There are also figures for DAMIER leather goods as a *whole* and naturally these are substantially higher. In 2013, for example, the figure was €28,085,558.
- Exhibit 10 comprises abstracts of magazine articles covering the re-launch of the DAMIER in 1996. The third of these articles notes “*...this check board design... was the first fabric ever to show the maker’s signature. Now, more than a century later, the DAMIER canvas is being re-launched into the Vuitton line. It is a simple, elegant design that bears the Luis Vuitton signature in subtle repetition of the checkerboard*”.
- Further examples of magazine articles and blog extracts are provided as Exhibit 11 which includes an online article taken from www.dailymail.co.uk dated 3 October 2012 which refers to the “*Louis Vuitton world famous DAMIER check*”.
- Exhibit 12 comprises a collection of letters signed by representatives of international associations against counterfeiting, leather manufacturers, and the applicant’s competitors. In all of these letters, the signatories acknowledge that the DAMIER is perceived as a trade mark by consumers of fashion items.

O/034/16

- Ms Toussaint then goes on to discuss the proliferation of counterfeiters using the particular feature of the DAMIER canvas since its re-launch, namely the warp and weft feature, reminiscent of a woven structure. She says that before 1996, to the applicant's knowledge, no-one had used the simple checkerboard design as a trademark for bags etc., still less had anyone adopted the warp and weft feature.
 - The existence of so many imitations using the warp and weft feature is argued, by Ms Toussaint, to reinforce the fact that it is an essential component of the overall sign. Exhibit 13 shows examples of counterfeiting articles, whilst Exhibit 14 shows resulting amicable agreements with infringers. The fact the infringers chose to imitate the warp and weft feature is argued, once again, to reinforce the fact that that feature was deemed essential to communicate with the public that products bearing the feature, as part and parcel of the surface pattern, were linked with the applicant.
 - In order to protect against further infringement, Ms Toussaint argues that registration as a trade mark is essential.
 - The remainder of her Witness Statement discusses the link between bags, handbags, and other accessories. There is no need for me to summarise this as I do not dispute as fact, or otherwise question the link in trade between, the goods of class 09 and those more traditional accessories in class 18.
 - There is also a supplementary Witness Statement of Ms Gemma Kirkland dated 23 December 2014 which addresses the link between fashion and technology-related items. I assume this was also filed with the intention of addressing the 'natural extension' point raised by the hearing officer as concerning the goods of class 18 and those of class 09. On that basis, I have no need to summarise this evidence as I do not dispute such a natural trading extension.
12. To return to my narrative chronology, in the letter dated 23 December 2014, the *prima facie* case was expressly conceded by the applicant and the original specification limited to the following:
- Class 09 Spectacles, sunglasses, spectacle frames, spectacle glasses, contact lenses; spectacle or contact lenses cases; accessories for telephone, mobile phones, smart phones, tablet devices, PDAs and mp3 players, namely hands-free kits for telephones, batteries, back covers, covers, faceplates, chargers, neck straps or cords; mobile phones and telephone equipment bags and cases.
13. The letter also noted that the sign was already registered in class 09 by way of CTM registration 4041679.
14. By letter dated 12 January 2015, the *ex parte* hearing officer accepted the link between the goods of class 09 and those of class 18, and then considered the case for acquired

distinctiveness. He restated the legal principles of acquired distinctiveness and assessed the formal evidence filed, against those principles, as follows:

“Acquired distinctiveness - legal principles

- *Mere evidence of use, even if substantial, does not make the case for acquired distinctiveness;*
- *A significant proportion of the relevant consumers need to be educated that the words have acquired distinctiveness;*
- *If, to a real or hypothetical individual, a word or mark is ambiguous in the sense that it may be distinctive or descriptive then it cannot comply with the requirements of the Act for it will not provide the necessary distinction or guarantee. In that sense the non-distinctive meaning must be displaced;¹*
- *It follows that, with regard to the acquisition of distinctive character through use, the identification by the relevant class of persons of the product or service as originating from a given undertaking must be as a result of the use of the mark as a trade mark. The expression ‘use of the mark as a trade mark’ in section 3 refers solely to use of the mark for the purposes of the identification, by the relevant class of person, of the product as originating from a given undertaking;²*
- *The mark must have acquired distinctiveness through use throughout the territory of the UK;*
- *In assessing whether a trade mark has acquired a distinctive character, the competent authority must make an overall assessment of the relevant evidence, which in addition to the nature of the mark may include: (i) the market share held by goods bearing the mark; (ii) how intensive, geographically widespread and long-standing the use of the mark has been; (iii) the amount invested by the proprietor in promoting the mark; (iv) the proportion of the relevant class of persons who, because of the mark, identify the goods or services as emanating from the proprietor; (v) evidence from trade and professional associations; and (vi) (where the competent authority has particular difficulty in assessing the distinctive character) an opinion poll. If the relevant class of persons, or at least a significant proportion of them, identifies goods or services as originating from a particular undertaking because of the trade mark, it has acquired a distinctive character;³*

¹ Both the first two principles are stated in *Bach and Bach Flower Remedies Trade Marks* [2000] RPC 513, paragraphs 49 and 45 respectively.

² See e.g. *Societe des produits Nestlé SA v Mars UK Ltd*, (C-353/03 (‘Nestlé’)); *Philips Electronics NV v Remington Consumer Products Ltd* (C-299/99); *Henkel KGaA v Deutsches Patent – und Markenamt* (C-218/01) and also see Case BL O/166/08 *Vibe Technologies* to which I drew attention at the hearing (Para 60 onwards).

³ *Windsurfing*; Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECR I-1318 at [23], *Philips v Remington* at [60]-[62], *Libertel v Benelux-Merkenbureau* at [67], *Nestlé v Mars* at [31] and C-25/05P *August Storck KG v Office for Harmonisation in the Internal Market (Storck II)* [2006] ECR I-5719 at [75].

- *The position must be assessed at the date of application, being 10 October 2013.*

Assessment of the evidence

It is customary to start with an appraisal of just how bad, in terms of registrability, the sign is in the prima facie. The purpose of this is to gauge how much education, or re-education, is needed to found a plea of acquired distinctiveness. It is clear from the evidence filed that the sign is being used as a repeating pattern on the whole visible surface of the goods in question. In that regard the mark is composed of a checkerboard pattern being a basic and banal figurative feature consisting of very simple elements. Such patterns are widely used as decoration on fashion accessories such as those intended for protection. Thus, in my opinion such use, in the prima facie, would merely be perceived by the relevant consumer as a non-distinctive decorative feature of those goods. Inevitably then I think there is a substantial burden to be discharged by the applicant in this case.

The issue is then whether the applicant has clearly and unambiguously used the sign as a trade mark. The word 'unambiguously' is intended here to import the conclusion in the Bach Flowers case which apparently allows no room for use that could be seen by the relevant consumer as purely serving a decorative non-distinctive function. Such use by the applicant must then be seen to displace any possible non-distinctive decorative function.

For the applicant to have educated consumers that the sign is a trade mark, a significant proportion of the relevant consumers need to be educated that the repeating pattern has acquired a distinctive character. In respect of the goods in question, I consider the average consumer of the goods to be the general public at large.

Whilst I acknowledge that the applicant has used the sign for a considerable time and the turnover and advertising figures are substantial, I am not persuaded that the manner of use of the sign is sufficient to conclude that the sign has acquired a distinctive character. In that regard I take into consideration that the vast majority of the exhibits submitted show use of the sign in conjunction with the applicant's distinctive 'Louis Vuitton' logo. In this respect, the decision of the CJEU, Case C-353/03 'Have a Break', has confirmed that use as part of another mark may, in some circumstances, be sufficient to establish that the mark applied for has acquired distinctiveness. However, use only as part of a mark is a fact which makes it harder to show the mark applied for has acquired distinctiveness. As such when assessing the evidence on this case, I have factored in the inherent distinctiveness of the mark and also the manner of use of the mark. In this case the exhibits show that the mark applied for, at the very least, is not the primary means of identifying the origin of the goods. Moreover, there is nothing in the applicant's use of the sign to indicate that the average consumer has been educated that the mark applied for is a trade mark. In that regard, there is circumstantial evidence in the form of e.g. use in editorials by fashion journalists which refer to the mark applied for being a

O/034/16

brand. However, there is no objective evidence (e.g. public perception evidence) to suggest that the primary non-distinctive decorative function of the pattern has been displaced.

With regard to the trade evidence, what the evidence must show is that a significant proportion of relevant consumers have been educated that the sign is a trade mark. The applicant has furnished the Registrar with five endorsements from overseas trade professionals. However, given the non-distinctive nature of the mark and my assessment of the evidence provided in the exhibits, I do not think that these alone are a basis for accepting the application. Furthermore I do not consider that the endorsements are representative of the UK general public and how they would perceive the mark.

In summary, the evidence provided does not in my opinion demonstrate that the applicant has educated consumers that the sign is a trade mark and the objection under section 3(1)(b) is therefore maintained”.

15. At the end of his letter the hearing officer offered a further *ex parte* hearing in respect of the evidence filed. This matter came before me on 21 May 2015 with Ms Jackie Johnson of D Young & Co representing the applicant.
16. Immediately prior to the hearing, two additional witness statements were filed. The first of these is dated 14 May 2015 and is by Andrew Miles, a Trading Standards Enforcement Officer with The Trading Standards Service of Southwark Council. He is experienced in intellectual property enforcement having instigated proceedings on numerous occasions under both the Copyright Designs and Patents Act 1988 and The Trade Marks Act 1994. He is well acquainted with the DAMIER check and says that it is recognisable and distinctive, not only because the colours are easily identifiable but also because the interlocking weave makes it very easy to recognise counterfeit products, especially where the ‘LV’ logo has been omitted. The main types of products which he sees the sign used upon on a regular basis are mobile phone covers, wallets, purses and handbags.
17. The second witness statement, dated 19 May 2015, was by Sean Rovai, a Principal Consumer Services Officer with Tower Hamlets Council. He also has considerable experience with intellectual property matters being Lead Officer for the London Trading Standards Authorities for intellectual property matters, and a member of the joint government/law enforcement/industry IP Crime Group, the national Trading Standards IP Law Expert Panel, and the National Markets Group for IP Protection. He is also well acquainted with the DAMIER check, stating that it has an established reputation in the UK which is well known to both the general public and the clothing and accessories industries at both the lower and higher end of the market, and that it is widely associated with the Louis Vuitton brand.
18. He says unauthorised products bearing the pattern are invariably found on sale alongside other counterfeit and or copycat/lookalike products. As such, he believes the primary motive for manufacturers of unauthorised products to use this pattern on their product is to draw an association with the Vuitton brand in the eye of the buying

O/034/16

public. Manufacturers of unauthorised product will, he says, deliberately try to imitate well known trade marks as closely as possible without infringing the perceived IP rights of the proprietor. It appears to be a common misconception among such manufacturers, he says, that use of the DAMIER check without any other LV branding on a product does not infringe LV's IP rights. He says, finally, that on a recent inspection to a local wholesaler who was found to be selling unauthorised products using the DAMIER check, a customer came into the premises during the inspection and specifically asked for 'Louis Vuitton' hand bags, whereupon he was directed to unauthorised bags bearing the DAMIER check and subsequently went on to make a purchase.

19. At the second *ex parte* hearing (before me) further submissions, as well as tentative proposals, were made as below:

- That the sign was more than a simple checkerboard pattern, given the obviously woven appearance and this is a fact which needs to be factored in;
- That, if necessary and if it would assist, the applicant would consider a mark description which would better particularise the rights, as in the case of UK Trade Mark Registration Number 2591663;
- That Ms Johnson took no issue with the previous hearing officer's statement of applicable legal principles, which I adopt, subject only to comments I make below in my decision and which, in my opinion, are not material in this case;
- That the lengthy exposure and substantial turnover had been acknowledged;
- That the previous hearing officer had apparently not factored into his analysis the results of the survey;
- That although the applicant's goods were aimed at the comparatively expensive, or high end of the market, in fact those less well-off would be able to recognise the pattern as well;
- That other pattern signs, such as e.g. the 'Burberry check', function as trade marks, and that the applicant has used the sign consistently across all its products, or at least those products which are the subject of this application;
- That the previous hearing officer effectively placed too much reliance on use of the sign with other indicia such as the letters 'LV', or other monikers obviously relating to the primary 'Louis Vuitton' brand. In this regard, Ms Johnson said that it was well-established (see, for example, the aforementioned '*Have a Break*' case and also *Colloseum Holding AG v Levi Strauss & Co* ('*Collosseum*' C-12/12) that signs could be used in conjunction with each other, and that in this case, although the precise use may vary between products, the mere presence and use of comparatively small and discreet additional monikers did not prevent the sign as applied for from *also* functioning as a trade mark. On certain items, it was stated that any other moniker was barely visible;

O/034/16

- That although the General Court had recently deemed the sign invalid (see *Louis Vuitton Malletier v OHIM (intervenor Nanu-Nanu Handelgesellschaft mbH fur Geschenkartikel & Co KG)* Case T-360/12), this was for reasons which were particular to the Community Trade Mark Regulation and thus, the decision could be distinguished from this (UK national) application. Specifically, the earlier case was decided on the basis that evidence of acquired distinctiveness had not been shown in all of the relevant countries, and because it had been found to be deficient in relation to certain formalities requirements;
 - That the existence of counterfeits and counterfeiting activity was relevant in this case, and attested to by the additional evidence provided by the trading standards officials as summarised above. In particular, the fact that these officials also attested to the views of the general public as regards the nature of the sign was highly relevant;
 - In the event that I was to find that additional evidence from similar sources would help (e.g. additional similar submissions from more trading standards officials), the applicant could furnish these.
20. In a subsequent written submission dated 9 June 2015, that is, after the date of the hearing, Ms Johnson sought to further distinguish the case before me from that considered by the General Court in Case T-360/12. In addition to the question of differing 'relevant territories' under consideration, Ms Johnson noted that the General Court had difficulty with the fact that certain evidence was only in English or French which, in an EU context, would not have been enough, but as regards this (national) case would not be a problem. She also noted that the survey relied upon was conducted within five member countries of the EU, one of which was the UK and thus, material and relevant to this case. As regards the relevant public, she notes that the General Court confirmed that *"...it is not apparent from the description of the goods in question that they are luxury goods or goods that are so sophisticated or expensive that relevant public would be particularly attentive with regard to them"*. In response she says that, amongst those with less disposable income, awareness of the sign may stem from the desire to possess such luxurious, exclusive and expensive items, and that this is one of the main reasons behind the level of counterfeiting already referred to. Finally, she urged me not to put too much store in any dismissive comments by the OHIM Board of Appeal as regards the question of the existence of counterfeits, supporting the case for acquired distinctiveness, reminding me that I am not bound by such decisions and that I had acknowledged at the hearing that the existence of counterfeits could be material in any assessment of acquired distinctiveness.
21. At the hearing I expressly did not consider how a more precise description of the sign might assist, because I felt this question was unlikely to address the primary question of whether there is acquired distinctiveness in the sign as shown. That remains my view. Secondly, as the additional evidence from the trading standards officials had been received an hour or so before the hearing (Ms Johnson stated that this was preferable to having to send it during the hearing), I said that I had not had a chance to fully digest its worth. I did, however, note during the hearing that the evidential weight of the evidence was to be found in the extent to which, if at all, the trading standards officials could be

O/034/16

said to speak for the relevant public. I thus deferred full consideration of that evidence until after the hearing, but at the same time cautioned Ms Johnson as to the need for me to reach a conclusion one way or another and to not offer successive opportunities to remedy or improve the evidence. I found support for this position in the case of BL O/166/08 *Vibe Technologies Application* (a decision of the Appointed Person) at paragraphs 15 and 16] (*Vibe*), to which I referred at the hearing.

22. Mindful in particular of the injunction in *Vibe* to resolve the matter expeditiously one way or another, on 11 June 2015 I formally refused the application. I am now asked to provide a full statement of reasons for my refusal.

Decision

Legal principles

23. I adopt the first hearing officer's statement of legal principles (see paragraph 14 above), save for the following clarifications.
24. It is worth pointing out at the outset that the proviso to section 3 based on acquired distinctiveness does not establish a separate right to have a trade mark registered. It allows an exception to, or derogation from, the grounds of refusal listed in sections 3(1)(a) - (d) and, as such, its scope must therefore be interpreted in light of those grounds of refusal - see, for example, case T-359/12 *Louis Vuitton Malletier v OHIM* and case law referred to at paragraph 83.
25. As far as the principle of any descriptive or non-distinctive meaning being 'displaced' by trade mark use is concerned (third bullet point, para 14 above), I note the apparent clarification of that principle which was adopted by the hearing officer in e.g. Case BL O/150/14 *Compare the Market* at paragraph 37, which reads as follows:

37. Mr Vanhegan drew my attention to a well known passage from the British Sugar case [1996] RPC 281 in which Jacob J. (as he then was) suggested that 60% recognition of a sign as a mark may not be enough and as much as 90% recognition may be necessary. However, that case was decided before Windsurfing Chiemsee case, which made it clear that "the circumstances in which [the] requirement may be regarded as satisfied cannot be shown to exist solely by reference to general, abstract data such as predetermined percentages". Further, the reference in paragraph 47 of Windsurfing Chiemsee to the mark acquiring a distinctive character such that it is "no longer purely descriptive" indicates that it is not necessary for the acquired secondary (distinctive) meaning to wholly or substantially displace the original descriptive meaning. So the fact there has been some purely descriptive use of the term does not mean that it cannot have become distinctive as a trade mark of the applicant. Use which merely triggers association (in the sense of suggesting that the most likely user of the sign is undertaking X) is not enough because it is not consistent with the essential function of a trade mark, which is to guarantee the trade origin of goods and services. On the other hand, it is not necessary for the mark to guarantee trade origin to every relevant consumer: it is sufficient that the mark is distinctive (in the sense that it guarantees the trade

O/034/16

origin of the goods/services) to a significant proportion of relevant consumers. The corollary of such a finding is that a significant proportion of relevant consumers are likely to be confused by unfettered third party use of the sign, at which point the law favours registration.

26. On similar lines is the recent case of *Societe des Produits Nestlé SA v Cadbury UK Ltd* [2014] 16 (Ch) (*'Kit Kat'*) in which Arnold J states the following:

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

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

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

The present case

*49. It is clear from the hearing officer's decision that he applied the law as stated in *Vibe*, as he was bound to do. Counsel for Nestlé's primary submission was that the*

hearing officer had fallen into error in not recognising that, in the light of his findings of fact, the present case was factually distinguishable from Vibe. Counsel's secondary submission was that, if (contrary to his primary submission) the present case was not distinguishable from Vibe, then the issue of law discussed above should be referred to the Court of Justice for a preliminary ruling.

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

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

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

53. Counsel for Cadbury valiantly argued that there was no need for a reference because it was clear from the judgment of the Court of Justice in Storck I at [60]-[62] that the hearing officer had been correct to conclude that the Trade Mark had

not been used as a trade mark and hence had not acquired a distinctive character. I do not accept this argument, because it begs the question as to what is meant by "use of the mark as a trade mark": does it require the applicant to show that, as a result of the use of the mark, consumers rely on the mark as a trade mark, or is it sufficient that consumers recognise the mark and associate it with the applicant's goods? As I have said, I consider that the law on this point remains unclear. Furthermore, I consider that it is necessary for the law to be clarified in order to determine whether the Trade Mark had acquired a distinctive character by the relevant date.

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

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

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

27. It is clear from the above that the Judge himself, based on previous cases from the UK Courts, is certain in his own mind that 'association' is not enough and 'reliance' has to be shown, whatever exactly that is, and however it is proven. He is simply seeking confirmation from the CJEU that his own view, and that of the UK Courts, is correct.

28. Following the opinion of the Advocate General, the CJEU has now given its answer to the relevant question as follows:

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

It will be seen that the question of 'reliance' and 'association' remains unaddressed but the answer given represents a helpful reminder of the legal and evidential burden faced

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

30. In fact, the OHIM Board of Appeal, in its Cancellation decision (Case R 1855/2011-11) referred to above, did not even accord this sign the status of being a 'secondary mark', choosing instead to express the relevant principle thus:

33. However, it follows from equally well-established case-law that the public is not in the habit of perceiving as a trade mark signs which coincide with the product or part of the product (judgment of 13 April 2011, Case T-202/09, 'Ornament', paras 33 to 41) so that it may prove more difficult to establish distinctiveness in relation to such a mark than in relation to word or figurative marks. One of the determinative factors when assessing the distinctive capacity of a sign is not whether this sign is figurative, three-dimensional or positional, but whether this sign coincides with the appearance of the product (see to that effect, judgment of 16 May 2011, Case C-429/10 P, 'Orange Toe of a Sock', paras 36 to 39; and order of 13 September 2011, C-546/10 P, 'Shape of a guitar head', paras 58 to 59).

31. These expressions are reflective, in my opinion, of the same principle; that in a case where the sign corresponds to the appearance of a product (as in this case, and regardless of whether or not the whole surface area of the product is in issue), then the burden to show either inherent or acquired distinctiveness is especially high.
32. I should stress that the clarifications of the principles relied upon by the first hearing officer have not resulted in me coming to any other conclusion than that the application should be refused on the basis of well established principles, available prior to the later CJEU *Kit Kat* case law referred to above.

Application of the legal principles

33. The goods of the specification are everyday fashion items available on the high street or through other less traditional outlets; they are not specialist goods. The relevant public in the UK will, then, be the general public who are deemed to be reasonably circumspect.
34. It is customary to start with an analysis of the nature of the sign. In its innate characteristics, and notwithstanding the submissions made, I regard the pattern as essentially simplistic in form. A checkerboard pattern is not complex or sophisticated but is instantly recognisable; a uniform and mathematically symmetrical construct, with which almost every consumer will be familiar in contexts, including, but also beyond that of fashion. It is also a pattern which is essentially non-dependent on colour in terms of creating impression and this is reflected by the applicant's own admitted adoption of the same pattern in different colours.

O/034/16

35. The applicant makes much of the 'warp and weft' feature and that certainly adds another dimension of relief to the pattern. That said, it is intended to mimic an overall and readily-comprehended woven effect and I am struggling to conclude (a) that in contrast to the other features of the design, the woven effect really stands out, and, (b) that even if it did, such an effect would, of itself or rather, as part of the overall design, have the requisite individualising effect as far as the consumer would be concerned. These are, in my opinion, questions which ultimately have to be addressed by evidence of overall consumer perception of the sign, rather than solely via the applicant's submission, and so it is to that evidence I must turn.
36. The applicant undoubtedly uses the pattern and has used it over a sustained period of time, although I note that it certainly appears not to have been used continuously over a period of over 100 years. I say this because it refers to a 're-launch' of the pattern in 1996 and this suggests an unexplained period of abandonment since the original use in 1886. But, as is clear from the legal principles, simple use does not equate to the demonstration of acquired distinctiveness.
37. Although the applicant says its catalogues were available in UK stores, such use would be limited to the context of a Louis Vuitton shopping experience and it is not clear to me what else, in terms of 'outward' looking promotional efforts on the part of the applicant, have been brought to bear in relation to the sign specifically. In terms of its own efforts to 'condition' the consumer as to the sign serving, in and of itself, to guarantee origin, my opinion is that the evidence shows little. I think it is clear from the case law (see e.g. BL O/461/12 *Best Buy*, a decision of the Appointed Person, at paragraph 44) that a distinction can be drawn between what may be termed 'commentary' on the sign by third parties, and the requisite and conscious efforts of the applicant.
38. In this case, as the previous hearing officer has already pointed out, in many instances use of the pattern is accompanied by other indicia such as 'Louis Vuitton' or other monikers used by the applicant, as in this example below taken from Exhibit 6:



39. It is clear to me that the applicant has used the sign in relation to its products, but the submissions and evidence do not draw my attention to significant use without other indicia such as 'LV' or 'XL', however physically small in size such indicia may be. Neither has the applicant used the sign in a context which would not automatically be

identified as being 'conditioned by' the applicant's identity. The phrase 'conditioned by the applicant's own identity' refers to the context⁴ in which the sign is used, be that in an advertisement or catalogue identifying the applicant, elsewhere than on the product itself, or in some other obvious context. Whilst, and as Ms Johnson submits, I readily acknowledge that such use is not a requirement for acquired distinctiveness to be shown, one is here dealing with what is termed 'combined use'. It is worthwhile considering 'combined use' as a concept.

40. We know from the *Have a Break* case that, in principle, combined use does not rule out the possibility that the material sign used in conjunction with another sign or as part of another sign, can itself have acquired distinctiveness. But, by the same token and as stated by the CJEU in *Kit Kat*, the evidence must prove that the material sign, *in and of itself and irrespective of other signs*, has acquired distinctiveness. In this case, it would not be unfair to say that the vast bulk of the evidence displays 'combined use' which, as the CJEU says, emphatically in its opinion, will not, of itself, suffice. This, to me, is one of the fatal flaws in the evidence.
41. Further, I am somewhat reinforced in my overall conclusion in this case by the recent decision of the General Court in Case T-359/12 *Louis Vuitton Malletier v OHIM*, dated 21 April 2015, concerning the same pattern. This case was, as I have said, mentioned and discussed at the second hearing, and whilst I readily accept that certain distinctions can be drawn, I would not say the case can be wholly disregarded. I agree with Ms Johnson that, in large part, the previous case hinges on questions posed in the specific context of the Regulation (such as acquired distinctiveness being necessary throughout the territory of the EU) and, as is clear from the quote below, contains certain forensic criticisms of the evidence⁵ which were highlighted by Ms Johnson. Nevertheless, the General Court gave the following assessment of the evidence which, if not exactly the same as that filed in this case, then it at least appears to show certain key similarities, as follows:

111. Failing any other objective evidence, it would be to give credit, without any justification, to a single document printed on plain unheaded paper, evidence that could later be used by any other undertaking to support the view that the standard of proof of distinctive character acquired through use could be met on the basis of probabilities or suppositions, which the case-law has always rejected (see, to that effect, judgment of 10 September 2008 in Boston Scientific v OHIM - Terumo (CAPIO), T 325/06, EU:T:2008:338, paragraph 34⁶ and case-law cited).

112. Second, the presence of shops in the different Member States (exhibit 7 referred to in paragraph 95 above) likewise does not provide any indication as to the perception of the contested mark by the public concerned.

⁴ The context in which a sign is used has been held to be critical as in, e.g. the case of BL O/531/14 *Clubcard* - a decision of the Appointed Person at paras 27- 30

⁵ It is worth pointing out also that the 'evidence' filed in the case before the General Court on appeal was not intended, at least at the outset, to comprise evidence of acquired distinctiveness but evidence intended to show enhanced inherent distinctiveness. Unlike the case before me, the applicant had not conceded the prima facie case in the General Court appeal.

⁶ Although this case relates specifically to genuine use the same principle will undoubtedly apply.

113. *Third, as regards the extracts from catalogues and brochures, the advertisements and photographs of personalities wearing a product bearing the contested mark, and, likewise, the photographs of the goods showing the chequerboard pattern of the contested mark, which have been added to the case file (exhibits 2, 5 and 6 referred to in paragraph 95 above), that material is insufficient, even if it is examined in the light of all the other evidence submitted by the applicant and listed in paragraph 95 above, to demonstrate that a significant part of the relevant public will identify the goods concerned as originating from the applicant because of the contested mark.*

114. *The catalogues and brochures are provided only in French and English, so that, unless the applicant establishes that there are different versions of the catalogue, those catalogues and brochures cannot prove the acquisition of distinctive character through use at the very least for the four Member States concerned. Furthermore, there is no evidence to show that those catalogues are distributed amongst the relevant public and are not a tool internal to the applicant that is made available to its employees for the purpose only of the in-store sale of the items that appear in it.*

115. *Moreover, the photographs of various personalities carrying goods bearing the contested mark or advertisements of goods bearing that mark prove only that the applicant has used the brown and beige chequerboard pattern and do not demonstrate that the target public for the goods in question perceives that mark as an indication of commercial origin (see, to that effect, judgment in Representation of a tractor in red, black and grey, paragraph 84 above, EU:T:2010:413, paragraph 57).*

116. *Fourth, as regards the survey as to the perception by the class of persons concerned, which the applicant produced in the administrative procedure and which the Board of Appeal considered in paragraphs 18 and 55 of the contested decision, it must be held that that survey was carried out amongst consumers of luxury leather goods only in Germany, Spain, France, Italy and the United Kingdom. Besides the fact that the survey does not cover the average consumer in the European Union, taken to be reasonably well informed and reasonably observant and circumspect (see paragraph 27 above), but only consumers of luxury goods in five Member States of the European Union, it does not in any way concern the perception of the contested mark but rather the Louis Vuitton mark itself, so that it gives no indication as regards the perception of the contested mark alone even by that limited public amongst whom the survey was carried out.*

42. It is clear from the above that the General Court had similar difficulties with the evidence, in that it did not address the actual perceptions of the relevant consumer (paras 113, 115 and 116 especially). This is, emphatically, not to dismiss the views and commentary of fashion magazines, industry experts or other third parties; it is simply to reiterate that such views must be capable of being construed as a likely reflection of the perceptions of the relevant consumer. It must be stressed, again, that no actual

O/034/16

consumer has come forward and testified, in a survey or via another means of evidence to a genuine or real association between this sign and the applicant.

43. As is also often the case with demonstrating acquired distinctiveness, the applicant tends to fall back on abstract data - in terms of turnover and advertising spend - to support its case. There is, again, nothing necessarily wrong with that since such material is expressly sanctioned in the *Windsurfing* case, but at the same time it can be dangerous to place too much reliance on the data. The question I am asked is, at the risk of repetition, whether I consider the evidence as a whole persuasive enough for me to conclude that a significant proportion of the relevant public in the UK view the sign as a trade mark.
44. Finally, and the point is worthy of separate consideration, the applicant has made much of the existence of counterfeit articles in this case. Taking a measured approach, I am expressly not saying that evidence of counterfeits can never be relevant to the assessment of acquired distinctiveness; that would be an extreme and prescriptive rule based approach. In my opinion, the existence of counterfeits, or even other 'origin based' confusion could conceivably, and in certain circumstances, assist a case for acquired distinctiveness. But this is a long way from saying that the existence of counterfeits, in and of themselves, indicates that the sign in question is *ab initio* capable of functioning as a trade mark. In other words, the factors which motivate counterfeiting may be many and varied, such as purely commercial success, industry sector, demand, margins, or ease of production. In producing such unauthorised product, it is inevitable that the manufacturer (copier) will strive for as close a copy as possible, but this is not necessarily indicative that a particular sign, such as this pattern, has, in and of itself, the capacity to function as a trade mark. Such was the express finding in OHIM Board of Appeal Case R 1854/2011-1 at paragraph 46, in relation to the same design. I acknowledge I am not bound by that finding but I happen to agree with it.
45. I should stress, of course, that I have paid very close attention to the evidence of those experienced in trading standards enforcement, especially insofar as they may be able to speak on behalf of the general public. Indeed, they express clear views on this case that do purport to speak for that public, and to that extent their evidence must be considered. The two trading standards officials are, however, specialist enforcement officers and inevitably I am left with the question as to the objective basis on which they claim that the sign, *in and of itself*, is 'associated' with the Louis Vuitton brand by the relevant consumer. Such an opinion is, absent any objective basis, simply the expression of an opinion by a specialist enforcement officer; it is, in short and at best, more proxy evidence.
46. I have concluded that, on the basis of the evidence filed, the strenuous legal and evidential burden on the applicant to show that a *significant proportion of the relevant public* in the UK regard the sign, *in and of itself and irrespective of other signs*, as functioning as a trade mark, has not been discharged. This is a case, which in short, relies, by virtue of its proxy evidence, rather too much on unsubstantiated opinion, probability or supposition - see e.g. *Boston Scientific v OHIM - Terumo (CAPIO)* T-325/06 at paragraph 34.

O/034/16

Conclusion

47. In this decision I have considered all the evidence filed and submissions made. For the reasons given above, the application is refused as acquired distinctiveness has not been proven.

Dated this day of January 2016

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