

O-692-18

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NUMBER 3241536
BY LORENZ SNACK-WORLD HOLDING GMBH
TO REGISTER THE FOLLOWING TRADE MARK IN CLASSES 29 and 30:**



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Background

1. On 29 June 2017, Lorenz Snack-World Holding GmbH ('the applicant') applied to register the above mark for the following goods:

Class 29: Extruded potato snacks; potato crisps; potato snacks.
Class 30: Extruded corn snacks; extruded wheat snacks; cereal snacks; corn snacks; wheat snacks.
2. On 10 July 2017, the Intellectual Property Office ('IPO') issued an examination report in response to the application. In that report, an objection was raised under section 3(1)(b) of the Trade Marks Act 1994 ('the Act') which read as follows:

The application is not acceptable in Classes 29 and 30 as 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 consists of a figurative element resembling a comic type ghost and would only be seen as a shape of the goods and not as a trade mark. It is common within the relevant field of snack foods to find goods that are shaped and I do not believe this particular ghost type shape would prove distinctive enough to enable consumers to identify any brand origin. Instead the shape would serve to be mere decoration which is not sufficient to act as a badge of origin.

The applicant's case for registration

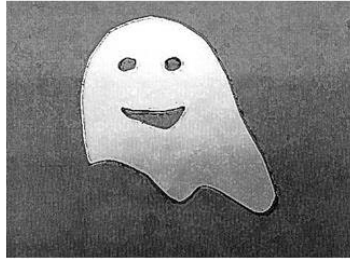
3. Prior to setting out the law in relation to 3(1)(b) of the Act, I will set out the applicant's case for *prima facie* acceptance of the mark. In correspondence, dated 29 August 2017, it was submitted that:
 - The application at issue meets the requirements for registration and has distinctive character.

- The assessment does not take adequate account of the fact, that the determination whether a trademark has distinctive character, is based on the view of the relevant public. For distinctiveness, it is sufficient that the trademark should enable the relevant public to identify the origin of the goods and distinguish them from those of other undertakings. A rather low degree of inherent distinctiveness is enough to meet the requirement for trademark protection.
- In this regard, it must be taken into account that the relevant public is attentive and well informed. This assumption is in line with the consumer model of the European Union and the United Kingdom and serves as the basis for the further assessment of the relevant public in the United Kingdom.
- The United Kingdom leads the Western European savoury snack market by far; Between 2002 and 2016, savoury snacks in the UK posted sales of \$7bn, making the country the biggest and one of the most buoyant markets in West Europe (source: *Euromonitor*). Potato crisps are by far the most popular type of salty snack in the UK, owing largely to tradition (source: *Euromonitor*).
- Due to the impressive history and the vast popularity of salty snack products in the UK, the public is very well equipped to distinct salty snack products from one another based on the different types of product shapes. The prominent position of the UK snack market results in a significant experience to distinguish product shapes, more than in any other population of a European country. Therefore, the relevant public is aware that special product shapes in the snack market are not common decoration, but an indication of a certain producer.
- Some product shapes will not be inventive enough to be able to distinguish producers and the following images may serve as examples



- But when it comes to inventive shapes, the UK public is very aware that such products originate from a certain producer.
- This assumption is in line with the registration practices both in the European Union and the United Kingdom (as well as Ireland).
- A number of trademark registrations, all registered by the European Union Intellectual Property Office (“EUIPO”) in the field of snacks, may serve as examples, some of which are popular in the UK. **(See Annex 1)**
- The registration practice of EUIPO is in line with the registration practice of both the UKPTO and the Irish Patents Office. UKPTO and IPO share the belief that inventive product shapes are capable of trademark protection. (See trademark registration examples at **Annex 2.**)

- Moreover, both the UKPTO and the IPO (as well as the EUIPO) are of the opinion that ghost shapes meet the required low degree of distinctiveness to gain trademark protection. The following trademark registrations are proof of that opinion:



UK 2356320



EUTM 2004026



IE 230684

- Like the examples above, the product shape at issue shows significant features that meet the requirements for distinctiveness.
 - The shape resembles a ghost, which itself is very uncommon in the snack market. Moreover, the ghost shape is concentrated on its key features, the swaying cape and smiley face. The smiley face gives the ghost a friendly appearance, enjoyable especially for kids. It is kind of an art form to concentrate on key features of a complex form and maintain the possibility to identify the object as well as the brand message at the same time. This form of commercial act is very common in modern logo layout, inspired by German art school Bauhaus. Bauhaus was famous for its approach to combine crafts and fine arts.
 - The ghost shape at issue stands in tradition of this style form and was invented by the applicant resp. its predecessors in 1994.
4. The submissions did not persuade the examiner that the sign is inherently distinctive and the application was subsequently refused on 10 November 2017.
 5. The applicant made no further submissions, and so on 10 November 2017 the application was refused under section 37(4) of the Act. A Form TM5 requesting a full statement of reasons for Registrar's decision was then received on 5 December 2017. As a result, I am now required to set out the reasons for refusal. No evidence of use has been put before me for the purpose of demonstrating acquired distinctiveness. Therefore, I have only the *prima facie* case to consider.

The Law

6. Section 3(1) of the Act reads as follows:

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

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

The relevant legal principles - section 3(1)(b)

7. The application has been refused under section 3(1)(b). I approach this ground of objection on the basis of the following principles derived from the CJEU cases referred to below:
- An objection under section 3(1)(b) operates independently of objections under section 3(1)(c) (*Linde AG (and others) v Deutsches Patent-und Markenamt*, Joined Cases C-53/01 to C-55/01, paragraphs 67 to 68);
 - For a mark to possess a distinctive character it must identify the product (or service) in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product (or service) from the products (or services) of other undertakings (*Linde* paragraphs 40-41 and 47);
 - A trade mark's distinctiveness is not to be considered in the abstract but rather by reference to the goods or services in respect of which registration is sought, and by reference to the relevant public's perception of that mark (*Libertel Group BV v Benelux Merkenbureau*, Case C-104/01, paragraphs 72-77);
 - The relevant public must be deemed to be composed of the average consumer who is reasonably well-informed and reasonably observant and circumspect (*Libertel* paragraph 46 referring to Case C-342/97 *Lloyd Schuhfabrik Meyer*).
8. The perception of a sign as a distinctive trade mark must be one of immediacy and first impression. A sign which fulfils functions other than that of a trade mark is only distinctive for the purposes of Article 7(1)(b) of Regulation No 40/94 if it may be perceived immediately as an indication of the commercial origin of the goods or services in question, so as to enable the relevant public to distinguish, without any possibility of confusion, the goods or services of the owner of the mark from those of a different commercial origin. (*Sykes Enterprises v OHIM* (2002 ECT II-5179 *Real People Real Solutions*)).

Application of the legal principles

9. In the present case the mark consists of a 2-dimensional image of a snack food product, and the specification covers: Extruded potato snacks; potato crisps; potato snacks in Class 29 and Extruded corn snacks; extruded wheat snacks; cereal snacks; corn snacks; wheat snacks in Class 30.
10. Given the goods claimed, it is reasonable to assume the average consumer is the general public. The goods at issue are everyday goods normally purchased in a retail environment, such as small shop or a supermarket. The level of consumer attention may vary a little depending on the customer. E.g., it may vary depending whether the purchase is made by an adult or by a younger demographic; Younger children may for example, make their selection based on the flavour of product, or based on their preference for a specific kind of product, whereas an adult may pay more attention to the nutritional content and price. Nevertheless, notwithstanding the considerations of flavour, taste, appearance, nutritional

content and price, I consider it reasonable to assume that the level of attention and circumspection when considering whether to purchase the goods is relatively low.

11. It is not uncommon to find snack foods which are in the form of novelty shapes and considering the applicant's mark, there is nothing within the sign that would enable consumers to distinguish the applicant's goods from other non-distinct novelty shaped snacks in the marketplace. The applicant's mark takes the appearance of such a "ghost shape" with indents for the eyes and a mouth which gives a slightly more human appearance. Use of such a shape to depict a ghost stems from the common use of a bedsheet with eyes cut out and sometimes a mouth. This type of depiction may be traced back to the middle ages and possibly earlier and is linked to the use of burial shrouds and may explain the common use of the "bed-sheet ghost" shape. In more recent times, ghosts have been depicted in books, children's cartoons, and fancy-dress costumes in many forms but, commonly, in this crude bedsheet type form.
12. The applicant has adduced that the product does possess distinctive character and that it is based on the view of the relevant public. The applicant has stated that "*for distinctiveness, it is sufficient that the trademark should enable the relevant public to identify the origin of the goods and distinguish them from those of other undertakings. A rather low degree of inherent distinctiveness is enough to meet the requirements for trademark protection*". The fact that some trade marks can be registered with a relatively low degree of inherent distinctiveness may be true. However, in my view, the sign at issue does not possess *any* inherent distinctiveness.
13. Furthermore, taking the above submissions into account, it is helpful to refer to the decision of Justice Jacob LJ in *Bongrain SA [2004]EWCA Civ 1690; [2005] R.P.C. 14* where it is stated:

"As a matter of principle, the mere fact that a shape was unusual for the kind of goods concerned did not mean that the public would automatically regard it as denoting trade origin, as being the badge of the maker. The public was not used to shapes conveying trade mark significance. Whilst a shape which departed significantly from the norm could fulfil the essential function of a trade mark as denoting the trade origin of the goods, it did not automatically do so; what matter was the presumed expectation of the average consumer"

"There were real differences between creating a fancy shape to sell as such and one which would truly denote trade origin..."

14. Whilst the snack market in the UK may well be prominent within Western Europe, in my view this does not alter the perception of the average consumer. As stated in the decision of the General Court, Case T-85/13 *K-Swiss Inc v OHIM* the Court stated that:

16 The perception of the relevant public is, however, liable to be influenced by the nature of the sign in respect of which registration is sought. Thus, inasmuch as the average consumer does not usually make assumptions as to the commercial origin of products on the basis of signs which are indistinguishable from the appearance of the products themselves, such signs are distinctive within the meaning of Article 7(1)(b) of Regulation No 40/94 only if they depart significantly from the norm or

customs of the sector (see, to that effect, Case C-136/02 P *Mag Instrument v OHIM* [2004] ECR I-9165, paragraphs 30 and 31; Case C-173/04 P *Deutsche SiSi-Werke v OHIM* [2006] ECR I-551, paragraphs 28 and 31; Case C-144/06 P *Henkel v OHIM* [2007] ECR I-8109, paragraphs 36 and 37; Case T-547/08 X *Technology Swiss v OHIM* (Orange colouring of the toe of a sock) [2010] ECR II-2409, paragraph 25).

17 The decisive factor governing the applicability of the case-law cited in paragraph 16 above is not the classification of the sign as figurative, three-dimensional or other, but the fact that the sign is indistinguishable from the appearance of the product designated. Thus, that test has been applied to, in addition to three-dimensional marks (*Procter & Gamble v OHIM*, paragraph 14 above; *Mag Instrument v OHIM* and *Deutsche SiSi-Werke v OHIM*, paragraph 16 above), figurative marks consisting of a two-dimensional representation of the product designated (*Storck v OHIM*, paragraph 15 above, and *Henkel v OHIM*, paragraph 16 above), or even to a sign consisting of a design applied to the surface of the product (order in Case - 445/02 P *Glaverbel v OHIM* [2004] ECR I-6267). Likewise, according to case-law, colours and abstract combinations thereof cannot be regarded as intrinsically distinctive save in exceptional circumstances, since these are indistinguishable from the appearance of the goods and are not, in principle, used as a means of identifying commercial origin (see, to that effect, Case C-104/01 *Libertel* [2003] ECR I-3793, paragraphs 65 and 66, and Case C-49/02 *Heidelberger Bauchemie* [2004] ECR I-6129, paragraph 39).

15. In the same decision the Court went on to specifically state that:

40. In addition, while the fact that a sign composed of a design applied to the surface of a product departs significantly from the norm or customs of the sector concerned is a necessary condition for the purposes of finding that that sign is distinctive (see the case-law cited at paragraphs 16 and 17 above), it is not a sufficient condition for such a finding. The sign at issue must also be independent of the appearance of the product it designates in order, in particular, not to be perceived by the relevant public merely as a decorative element.

16. Applying the above to the mark in suit, the assessment of the sign must take into account whether *the sign departs significantly from the norms and customs of the sector, and whether it is capable of being perceived independently from the appearance of the product it designates*. The decision also confirms that even if a sign departs significantly from the norms or customs of the sector concerned, that alone is not sufficient, for the purposes of demonstrating distinctiveness.
17. Whilst the applicant contends that the relevant public is aware that special product shapes in the snack market are not common decoration, but an indication of a certain producer, no evidence had been provided to this effect. In my view, the fact that the relevant consumer is faced with an array of different shaped snack products to my mind, would reinforce my view that the shape would not be perceived as a trade mark, unless consumers have been educated that the sign is a trade mark.

18. The applicant has stated that, in respect of “inventive shapes” “the UK public is very aware that such products originate from a certain producer”. To support this the applicant has provided a number of trade mark applications in various shapes. However, looked at in isolation, precedents are not a basis for prima facie acceptance. In this case, the decision of the Appointed Person, BL 0-263-18, Robinsons Soft Drinks Limited, is helpful, where James Mellor Q.C., acting as the Appointed Person, stated:

‘...the average consumer is not used to making decisions relating to the origin of goods based on the appearance of the container alone. It has been demonstrated in the evidence and exhibits provided by Ms Thompson that there is no one standard size or shape for the packaging of soft drinks, and that there are a great number of different-sized shapes currently being used. This variation and variety in the form of soft drink containers actually points away from shape being an immediate indicator of origin because, on the basis of information provided by the applicant, the consumer will already be accustomed to seeing a number of such shapes performing a purely functional role, namely to act as a container for liquid.’

19. Further support can also be taken from *Yakult Honsha KK’s* Trade Mark Application [2001] RPC 39. Here Mr Justice Laddie gives his view of the test for inherent distinctiveness in the case of a three-dimensional trade mark. Paragraphs 7 -11 state:

*“There was little dispute between the parties as to the correct approach to the application of s 3(1)(b). The onus is on the applicant to show that the proposed marks inherently distinctive. Mr Thorley agreed that Mr James was entitled to rely upon first impressions, as long as in doing so he directed his attention to the correct issue. According to Mr Thorley, that issue, in a case where a container is the subject of the application, is whether the design is eye catching in a relevant trade mark sense. The fact that a particular design is eye-catching because it is unusual or decorative is not enough by itself. At all times the Registry has to ask whether the design is distinctive as a badge of origin. The exercise to be undertaken was described by the European Court of Justice in *Lloyd Schuhfabrik Meyer & Co. GmbH v Kliysen Handel BV* [2000] FSR 77; Case No: C-342/97, [1999] ECR I-3819:”*

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

20. Whilst in the *Robinsons and Yakult* cases the reference is made in respect of three-dimensional shapes, the guidance is equally attributable to the current application. Although the trade mark image in the current application is a two-dimensional mark, it cannot be argued that the sign is *independent of the appearance of the product it designates*. To reiterate, as stated in the decision of the General Court, Case T-85/13 *K-Swiss Inc v OHIM* this point was addressed by the Court when it stated that:

17 The decisive factor governing the applicability of the case-law cited in paragraph 16 above is not the classification of the sign as figurative, three-dimensional or other, but the fact that the sign is indistinguishable from the appearance of the product designated.

21. A substantial part of the applicant's argument is reliant on the precedent surrounding the acceptance of earlier marks. Whilst I acknowledge these submissions and precedents, they can in no way be persuasive (still less binding) without, for example, some indication of the nature of the regime under which they were accepted, and the underlying rationale behind such decisions. The applicant states that this type of shape is uncommon and that it was "invented" by the applicant's predecessors in 1994. However, the state of the snack food market has moved on considerably from 1994 and therefore the application must be considered according to the current state of the market. The applicant has also argued that both the UKIPO and the Irish Patent Office (as well as EUIPO) are of the opinion that ghost shapes meet the required low degree of distinctiveness. This is based on earlier registrations, but has no basis in law and does not show that the marks were accepted *prima facie*, since it does not take account of other factors which may have come into play, such as evidence of use, or the state of the snack food market at that time. Regarding the earlier marks registered by the UK-IPO, I am unaware of the circumstances surrounding their acceptance, and consider them to be of little assistance in determining the outcome of this application. I draw support for this from the judgement of Jacob J in *British Sugar* [1996] RPC 281 at 305 where he stated the following:

"Both sides invited me to have regard to the state of the register. Some traders have registered marks consisting of or incorporating the word "Treat". I do not think this assists the factual enquiry one way or the other, save perhaps to confirm that this is the sort of word in which traders would like a monopoly. In particular the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led the registrar to put the marks concerned on the register. It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. MADAME Trade Mark and the same must be true under the 1994 Act. I disregard the state of the register evidence."

22. Nor have I been swayed by reference to similar marks which have been accepted by the Irish National Office and similar acceptances by EUIPO. Notwithstanding Council Directive 89/104/EEC, the Registrar is not bound by the decisions of other national offices, as confirmed by the European Court of Justice ("the ECJ") in its judgement on *Henkel KGaA v Deutsches Patent und Markenamt* (C-218/01) where it was stated that:

"The fact that an identical trade mark has been registered in one Member State for identical goods or services may be taken into consideration by the competent authority of another Member State among all the circumstances which that authority must take into account in assessing the distinctive character of a trade mark, but it is not decisive regarding the latter's decision to grant or refuse registration of a trade mark.

On the other hand, the fact that a trade mark has been registered in a Member State for certain goods or services can have no bearing on the examination by the competent trade mark registration authority of another Member State of the distinctive character of a similar trade mark application for registration of a similar mark for goods or services similar to those for which the first mark was registered."

I should point out that the decisions of the ECJ on points of law are, of course, binding in the UK.

23. When considering the mark in relation to the goods claimed in the application, I believe that the average consumer will perceive the mark as nothing more than a non-distinctive simple shape of the goods. Whilst ghost shapes are typically depicted in white or an opaque white in cartoons, I do not consider that the textual appearance of a crisp adds anything to the sign, in such a way that it enables it distinguish the goods. Rather it merely reinforces the fact that the sign is a simple representation of the goods. Beyond its ability to appeal to young children, there is nothing about the shape that would render it distinctive as a trade mark.
24. It is therefore my view that the sign is not capable of performing the function of a trade mark in the *prima facie* without the relevant consumer first being educated to that fact. Consumers will not consider the sign belongs to a particular provider of snack foods. The mark is devoid of any distinctive character and is, therefore, excluded from registration by section 3(1)(b) of the Trade Marks Act 1994.

Conclusion

25. In this decision, I have considered all documents filed by the applicant, and all arguments submitted to me in relation to this application. Having done so, and for the reasons given above, the application is refused because it fails to qualify under Section 3(1)(b) of the Act.

Dated this 5th day of November 2018

**Mark Studley
For the Registrar
The Comptroller-General**

Annex 1



EUTM 208108



EUTM 1208982



EUTM 8804197



EUTM 1337856



EUTM 9373713



EUTM 1366954



EUTM 6748727



EUTM 1683036



EUTM 13929963



EUTM 13929856



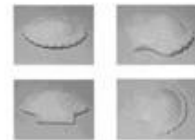
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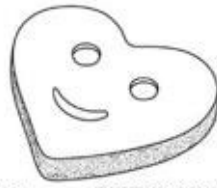
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Annex 2



UK 2027894



UK 1575112



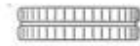
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