

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 2000252 IN CLASS 8 BY PHILIPS ELECTRONICS NV AND OPPOSITION THERETO BY REMINGTON CONSUMER PRODUCTS LTD. PRELIMINARY DECISION IN RESPECT OF A REQUEST BY THE OPPONENTS FOR REFUSAL OF THE APPLICATION FOR REGISTRATION ON THE BASIS THAT IT IS THE SUBJECT OF RES JUDICATA AND IN THE ALTERNATIVE THAT IT BE STRUCK OUT AS AN ABUSE OF PROCESS; ALSO IN RESPECT OF THE APPLICANTS REQUEST FOR A STAY OF PROCEEDINGS

**In the matter of Application No. 2000252 in Class 8
by Philips Electronics NV and opposition thereto by
Remington Consumer Products Ltd. Preliminary
decision in respect of a request by the opponents
for refusal of the application for registration on
the basis that it is the subject of res judicata and in
the alternative that it be struck out as an abuse of
process; also in respect of the applicants request for
a stay of proceedings**

BACKGROUND

On 31 October 1994 Philips Electronics NV (Philips) applied to register the shape of the head of an electric razor in Class 8. This was examined by the Trade Marks Registry and accepted on the basis of distinctiveness acquired through use and prior rights in registration No. 1254208. This prior registration was for a two dimensional representation of the head of an electric razor. The application was subsequently published on 1 May 1996 and opposition was filed by Remington Consumer Products Ltd (Remington). The grounds of opposition are in summary:

- i. Under Section 3(1)(a) because the trade mark applied for is not a sign within the meaning of Section 1(1) of the Act;
- ii. Under Section 3(1)(b) because the trade mark is devoid of any distinctive character;
- iii. Under Section 3(2)(a) because the trade mark consists of the shape which results from the nature of the goods;
- iv. Under Section 3(2)(c) because the trade mark consists of the shape which gives substantial value to the goods;
- v. Under Section 3(3)(a) because the registration of the mark was applied for in bad faith;

These grounds were denied by the applicants; both sides filed evidence in support of their pleadings and the case should now be awaiting a Hearing on the substantive issues. However, on the basis of an earlier registered trade mark for a two dimensional representation of a three headed rotary shaver head, Philips commenced infringement proceeding against Remington who counterclaimed that the earlier registered trade mark was invalid. The High Court found for Remington in respect of both issues, PHILIPS ELECTRONICS NV v. REMINGTON CONSUMER PRODUCTS LTD [1998] RPC 283. On the basis of the findings of Mr Justice Jacob in that case, Remington now contend that res judicata arises in respect of these proceedings. And even if res judicata does not apply they consider that the opposition proceedings before the

Registrar raise issues so nearly identical to those already decided by the High Court that continuation, in the absence of any special circumstances, would be an abuse of process. Philips deny both of these claims and seek a stay in these proceedings pending the outcome of an appeal to the Court of Appeal of Mr Justice Jacob's decision.

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The issue came be heard before me on 20 November 1998 when Philips were represented by Mr Henry Carr of Queens Counsel, instructed by Eversheds, and Remington by Mr Roger Wyand of Queens Counsel, instructed by Lochners.

10 In the correspondence leading up to the hearing Lochners, on behalf of Remington, on the matter of res judicata claimed both issue estoppel and cause of action estoppel. It became clear very early in the course of the hearing (and from the opponents' skeleton arguments) that the claim to res judicata was based only upon cause of action estoppel and not issue estoppel.

15 **DECISION**

The claim to cause of action estoppel is based upon the judgement in PHILIPS ELECTRONICS BV v. REMINGTON CONSUMER PRODUCTS LTD [1998] RPC 283. This case is currently the subject of an appeal to the Court of Appeal. But it was common ground between the parties that the matter of the claim to estoppel is not effected by the judgement being the subject of an appeal. Spencer Bower on Res Judicata at para 167 states:

25 "A judicial decision, otherwise final, is not the less so because it is appealable. If it is incapable of revision by the court which pronounced it, it is final in that court, which is all that is required to be shown, and it is immaterial that it is capable of being rescinded or varied by an appellate court".

If therefore res judicata applies in this case, the fact that the decision of the High Court is under appeal (and could therefore be overturned) it not a factor which I can take into account.

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Under the principal of res judicata, once a final decision is pronounced on a matter by a judicial tribunal over the cause of action and the parties, it disposes of all the matters which were (or if not raised could have been and would have been) necessary to the decision, so that except on appeal they cannot be re-litigated between the same parties (Henderson v Henderson [1843-60] AER 378). And in relation to cause of action estoppel both sides referred me to ARNOLD AND OTHERS v. NATIONAL WESTMINSTER BANK PLC [1991]2 AC 93 and in particular the definition of cause faction estoppel given by Lord Keith of Krinkel:

40 "Cause of action estoppel arises where the cause of action in the later proceedings is identical to that in the earlier proceedings, the latter having been between the same parties or their privies and having involved the same subject matter."

Mr Wyand argued that in cause of action estoppel there is no discretion not to reject the further litigation where there are no special circumstances. He based this argument on CHIRON CORPORATION v. ORGANON TEKNIKA LTD (No.6)[1994] FSR 448, the head note of which states:

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“(1) Cause of action estoppel was a complete bar to a matter being relitigated except where a point is not decided because it was not raised due to special circumstances”.

5 He submitted that the cause of action in the current proceedings before the Registrar is the same as the cause of action decided by the court, namely ‘the validity of a graphic representation of the cutting end of a three headed rotary shaver as a trade mark under Section 3 of the Trade Marks Act 1994’. Mr Wyand described the differences between the trade mark the subject of the earlier High Court action and that in the current proceedings as minor and in support of which I was referred to at page 228 lines 15 to 18 and 35 to 40 Mr Justice Jacob’s judgement. where he stated:

15 “Over the years Philips have made many variants of it. However, the “business end” - the shaving face - has always remained basically the same in appearance. I say, “basically the same” because from time to time Philips have made minor variants.”

And

20 “I mention these variants only in passing because, so far as I can see from the evidence the public has never placed any significance on them, for instance by distinguishing (from recollection or otherwise) between the plain panel and the clover leaf or mercedes variant. This is of some importance when considering what variants of the basis shape would be taken, by the public, to be basically the same.”

25 Mr Wyand submitted that no fresh evidence had been entered into the opposition proceedings which would suggest that the public could or had placed any significance on the minor variation between the trade mark the subject of the High Court invalidation action and the trade mark the subject of the opposition proceedings. Further the writ in relation to Philips v Remington had been issued in December 1995, whilst the current opposition related to an application made on 30 31 October 1994, thus Philips had a further year to establish before the court that their trade mark was in fact distinctive but had failed so to do.

35 Finally, Mr Wyand referred me to Lord Hailsham’s statement in R v. HUMPHREYS [1977] AC 1 at 41 that “the court will inquire into realities, and not into mere technicalities”. He also referred me to BELL v. HOLMES [1956] 3 A11 ER 449 where, in a dissenting judgement, McCarthy J said that “the court should be quite satisfied that there is no real or practical difference between the issues to be litigated in the new action and that already decided, and the evidence which may properly be called on those issued in the new action.” Mr Wyand considered that in the current proceedings this was indeed the case; that there was no real or practical 40 difference between the issues to be litigated and the evidence which could properly be called.

Mr Carr for Philips noted that the opponents had shifted the thrust of their case from issue estoppel to cause of action estoppel and the reason they had done so was that they knew they had no case under issue estoppel. He referred me to UNILEVER LTD’S (STRIPED TOOTHPASTE 45 NO.2) TRADE Marks [1987] RPC 13, BRUNSWICK RAILWAY CO v. BRITISH AND FRENCH TRUST CORP [1939] AND TURNER v. LONDON TRANSPORT [1977] ICR 952 in support of this view. However, these cases deal with issue estoppel rather than cause of action

estoppel and, as I have already stated, the claim to issue estoppel was not pursued and therefore they do not assist me in my decision as to cause of action estoppel.

5 Mr Carr was of the opinion that in the instant case, viewed on the basis of definition, there could be no cause of action estoppel as the opposition proceedings are not identical to and do not involve the same subject matter as the cause of action in the High Court proceedings. He emphasised that the cause of action diverged; the High Court action related to an invalidity action whilst the current proceedings before the Registrar related to opposition. Mr Carr also referred me to Spencer Bower at paragraphs 198-199 where he said that the examples where no estoppel has been found for lack of identity is striking. In particular *NEW BRUNSWICK RAILWAY COMPANY v. BRITISH & FRENCH TRUST CORPORATION* [1939] AC where Lord Maugham said

15 “If an issue has been distinctly raised and decided in an action, in which both parties are represented, it is unjust and unreasonable to permit the same issue to be litigated afresh between the same parties or persons claiming under them; but in my view the doctrine cannot be made to extend to presumptions or probabilities as to issues in a second action which may be, and yet cannot be asserted beyond all possible doubt to be, identical with those raised in the previous action.”

20 In simple terms, the first issue I have to determine is in my view “are the causes of action determined in the High Court and yet to be determined before the Registrar so similar that any divergence is a mere technicality”. First of all I am not persuaded by the submission that cause of action estoppel is precluded because the set of proceedings before the Registrar relate to opposition and those before the court dealt with invalidity. The issues in both are the same in my view. The law against which they have been and will be tested are the same. The application for invalidity before the High Court was brought under Section 47 of the Act which states:-

30 47.- (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

35 Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

40 The opposition to the Philips application for registration is founded in Section 3 of the Act which deals with absolute grounds for registration. Thus the High Court proceedings were directly concerned with the validity of the registration by reference to the provisions of Section 3, absolute grounds for refusal which are precisely the same issues on which the Registrar would need to take a view. Therefore, whilst Mr Carr may think that it is far from clear that an opposition to an application is the same ‘cause of action’ as a claim of invalidity in relation to a registered trade mark”, I do not. The law is the same and the Act directs that the same considerations apply.

45 Therefore at the first level I consider that cause of action estoppel can apply in relation to these proceedings before the Registrar even though it is opposition and not invalidation proceedings that are involved. I go on, however, to consider whether the same subject matter is involved.

I note that Mr Justice Jacob (with the consent of both sides) considered that the two dimensional device of the head of a razor, the subject of the trade mark registration the subject of the invalidation proceedings covered the three dimensional shape. In that regard Mr Wyand urged me to consider therefore that the trade mark under scrutiny by the High Court is the same as that under opposition before the Registrar. Mr Carr submitted they were not. My decision therefore rests on whether the trade marks are the same and therefore whether the respective proceedings cover the same subject matter. Set out below are the respective trade marks, A is the one considered by the High Court, B is the one the subject of the opposition proceedings before the Registrar:-

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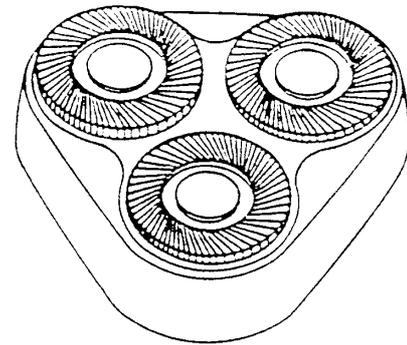
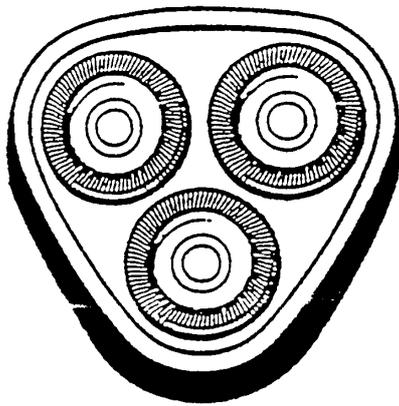
A

B

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My Wyand as recorded earlier said that it was clear from the judgement that the High Court was aware of the existence of minor variants to the design and that although it was concerned with one particular variation the potential significance of the variants was not overlooked as is demonstrated by the extract from Page 288 of Mr Justice Jacob's judgement set out earlier in this decision.

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However, it seems to me that Mr Justice Jacob's comments in relation to these variants of the sign, as he calls it, are obiter dictum. Thus they cannot be regarded as a pronouncement on the trade mark which is before the Registrar. Not least because at Page 308 lines 6-10 Mr Justice Jacob said:

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“For the present it should be noted that the Swedish Court was concerned with a picture showing the clover-leaf variant of the face plate. I have just the plain face plate. I have indicated already that in my view, because the public does not differentiate between the two sorts there is no practical difference. However, if there is, then the unembellished form is clearly the more basic.”

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Also, of course, the perception of whether the variations between the respective trade marks is trivial is dependent upon the sphere of consideration. And in the context of trade mark law what might well be considered trivial in other areas can assume considerable significance. The

embellishment of the razor head by the addition of the clover leaf pattern is one which in my view may be a factor in the determination of whether the trade mark in suit in these opposition proceedings does meet the requirements of the provisions of Section 3. In any event, I am unable to hold that it will not be so. Therefore, in my view, the differences in the respective trade marks must at this juncture be regarded, in Lord Hailsham's terms, as a reality rather than a technicality and thus I do not consider in Lord Maughan's words it can be 'asserted beyond all possible doubt' that the same cause of action is involved. In the circumstances I do not consider that the findings of Mr Justice Jacob in High Court action 1995 p. No. 7585 give rise in these opposition proceedings before the Registrar to res judicata as a result of cause action estoppel because I am not satisfied that the same subject matter is involved.

I turn now to the issue of abuse of process which is founded on the premise that the issues in the opposition proceedings before the Registrar raise issues which are nearly identical to those already decided by the High Court that in the absence of any special circumstances continuation of the application for registration by Philips would be an abuse of process. First of all it was not argued by Philips that there were any special circumstances surrounding this case. (i.e. the lack of appealability as Mr Wyand put it). It is therefore a straightforward matter of determining whether Philips' continuation of this application for registration the face of the High Court decision is an abuse of the process, given that they have an appeal underway and the continuation of the application process may be seen as an attack on the High Court decision.

Whilst I acknowledge that Mr Justice Jacob's decision in relation to the invalidation of the registration covering the two dimensional drawing took account also of the three dimensional shape, the application for registration in this case does represent a request for a different or broader monopoly than that currently held by Philips. I do not consider it unreasonable therefore that they should want to pursue that claim despite the earlier judgement. In that respect I do not regard the submission by Mr Wyand that all Philips would loose, if the current opposition was struck out, is their filing date, as persuasive. Whether, as he says, if their appeal was successful Philips could then rely on the registration of the two dimensional drawing to ward off would-be infringers is not a matter that I can be certain of. Therefore, the matter of prejudice to Philips can not be finally determined. Insofar as the prejudice to Remington, it seems to me, given that the appeal proceedings in relation to Mr Justice Jacobs decision will continue, they are no worse off.

It seems to me that there are matters to be decided in this case, given that I consider that there are differences in the respective trade marks, that are not altogether parallel to those decided by the High Court. Therefore, in my view, there is no abuse of process on the part of Philips in seeking to continue the proceedings before the Registrar. In reaching this view I recognise that this tribunal would have to apply the judgement of Mr Justice Jacob to the facts of this case but as I have already indicated, the respective trade marks are different and I cannot pre-judge the outcome of the application of that judgement to the full facts of this opposition.

This is not a situation where a party having failed in one action is seeking to litigate against the other in a different process on the same matter. The application for registration was filed over one year before the action commenced in the High Court. The fact that Philips initiated that action does not in my view mean that they chose to have the matter now before the Registrar

determined in that process. The opposition proceedings is a continuation of the application procedure and for the reasons outlined above there are grounds for them to continue. The request for the application for registration to be refused as an abuse of process is therefore refused.

5 I come finally to the request by Philips for a stay in proceedings. The logical corollary to the dismissal of the claim to estoppel would be to refuse the request for the stay of the proceedings. As I have ruled that there are differences in the matter on which decisions have to be made it would seem logical to refuse the stay as one set of proceedings will not necessarily prejudice the other. However, I intend to direct that there should be a stay of the proceedings until at least
10 Philips v. Remington has been considered and pronounced upon by the Court of Appeal. Although there may be argument as to the significance in the difference of the trade marks there can be little argument that the parameters within which the current application will be judged and the tests that it will undergo will be based on any decision in relation to the Philips v. Remington case. I can see little profit therefore in the Registrar's Hearing Officer coming to a decision in
15 relation to the current application on the basis of an interpretation of Sections 1 and 3 of the Act which is hostage to the decision from a higher authority. The fundamental questions that the Registrar's Hearing Officer will face as to the registrability or otherwise of the trade mark in suit will be set within the parameters of the decisions which are made in relation to the case currently under appeal.

20 I note that Mr Wyand suggested that these proceedings could be put on a timetable such that the outcome could be appealed (by either side) and heard with the appeal currently down to be heard in April 1999. He expressed much concern that whilst the current proceedings were undecided his client could not put their product onto the market. Although I have great deal of sympathy
25 with this argument I cannot agree with the proposal as it involves much which is problematic and beyond the control of both the Registrar and the parties. On a practical level it assumes that all the steps that are necessary to reach the stage of the Philips v. Remington case currently before the Court of Appeal could be fulfilled in the necessary time. This would require a very accelerated timetable and the result desired by Mr Wyand still be problematic.

30 I have also noted Mr Wyand's comments in relation to wishing to avoid a multiplicity of proceedings. Again I consider that the argument is a hostage to the first issue of whether the current proceedings are estopped. If they are not, as I have decided, it is because there is a difference between the matter on which the court has pronounced and that on which the Registrar
35 must make a decision and so the issue of a multiplicity of proceedings and the desire to avoid such a multiplicity falls.

40 Consequently it is my decision that the current opposition proceedings should be stayed pending the outcome of the decision of the Court of Appeal in Philips v. Remington. Moreover under the provisions of Rule 51 of the Trade Marks Rules 1994 (as amended) which states:

51. At any stage of any proceedings before the registrar, he may direct that such documents, information or evidence as he may reasonably require shall be filed within such period as he may specify.

45 I order that when the opponents (Remington) receive a written copy of the judgement and decision in that case they should, as quickly as practical, forward a copy of the aforesaid

documentation to the Registrar for inclusion in these proceedings.

5 I do not wish to prejudge what the Registrar's position will be following the receipt and reading of the judgement and decision and so do not wish to indicate if a further stay is likely. However, it will be for one or both parties to request any such stay at that time. If no such stay is requested within the period set for any further appeal, the opposition proceedings will automatically proceed to the next stage i.e. a decision, as the result of a Hearing or from the papers.

10 Mr Carr made submissions as to costs for this Interlocutory Hearing, requesting that they reflect court costs. In all three issues there was certainly a very valid case to be argued; but I am not persuaded that the Registrar's normal practice of awarding costs in the event rather than costs in the cause should not apply in this case. I decline therefore to award costs to either party in respect of this preliminary hearing at this stage. Both sides are free, of course, to make
15 submissions on the subject of costs of the proceedings as a whole when the substantive issues are determined.

Dated this 6 day of January 1999

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30 **M KNIGHT**
Principal Hearing Officer
For the Registrar
The Comptroller General