

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATIONS Nos. 2380724B AND 2380724A
IN THE NAME OF AGATHA DIFFUSION
IN CLASSES 3, 14, 18 AND 25**

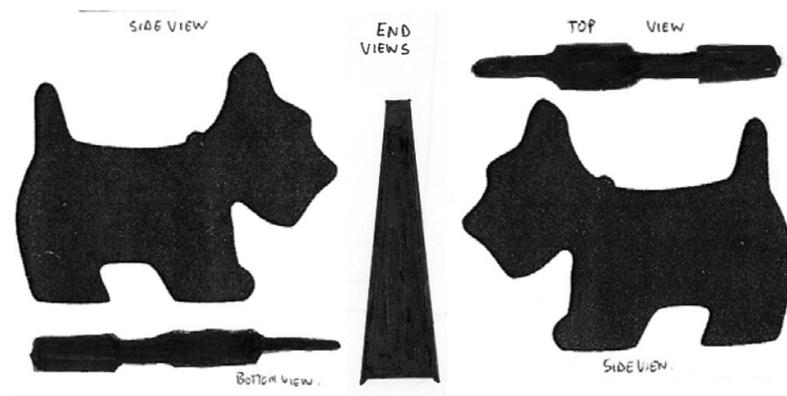
**AND IN THE MATTER OF
APPLICATIONS FOR DECLARATIONS OF INVALIDITY THEREOF
UNDER Nos. 83064 AND 83065
BY MONSOON ACCESSORIZE LIMITED**

**AND IN THE MATTER
OF APPEALS TO THE APPOINTED PERSON
BY THE REGISTERED PROPRIETOR
AGAINST THE DECISION OF MR. D. LANDAU
DATED 12 FEBRUARY 2009**

DECISION

Registration number 2380724B

1. UK Registration number 2380724B stands in the name Agatha Diffusion (“Agatha”). It was entered on the register on 2 June 2006 with effect from 30 November 2004. The registration is for a three dimensional shape trade mark as represented below:



2. The goods for which the shape trade mark was registered are:

Class 3

Perfumery, essential oils, cosmetics, hair lotions; dentifrices

Class 14

Precious metals and their alloys and goods in precious metals or coated therewith; jewellery, not including charm bracelets and charm necklaces, precious stones; horological and chronometric instruments

Class 18

Leather and imitations of leather, and goods made of these materials; hides; trunks and travelling bags; umbrellas and parasols; handbags, make-up bags, wallets, backpacks not including novelty backpacks, garment bags, briefcases, attaché cases, card cases, haversacks not including novelty haversacks, key cases, purses, school bags, travelling trunks and vanity cases

Class 25

Clothing, footwear and headgear.

Registration number 2380724A

3. Agatha is also the proprietor of UK Registration number 2380724A, which possesses the same filing and registration dates, and specification of goods as 2380724B. However, Registration number 2380724A is for the series of three two dimensional trade marks shown below:



Applications for invalidation

4. On 11 October 2007, Monsoon Accessorize Limited (“Monsoon”) filed applications to declare invalid the registrations on absolute grounds under section 47(1) and section 3(1)(b), 3(1)(c), 3(1)(d) and 3(2)(c) of the Trade Marks Act 1994, which provide:

Section 47(1)

“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).

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.”

Section 3(1)(b) – (d)

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

[...]

(b) trade marks which are devoid of any distinctive character,

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

(d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) 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.”

Section 3(2)(c)

“(2) A sign shall not be registered as a trade mark if it consists exclusively of-

[...]

(c) the shape which gives substantial value to the goods.”

5. Those provisions implement article 3(1)(b), 3(1)(c), 3(1)(d), 3(1)(e)(iii) and 3(3) of Directive 2008/95/EC of the European Parliament and of the Council of 22 October 2008 to approximate the laws of the Member States relating to trade marks. Their counterparts in Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark are article 52(1)(a) and (2) and article 7(1)(b), 7(1)(c), 7(1)(d), 7(1)(e)(iii) and 7(3).
6. Agatha denied the alleged grounds of invalidity in their entirety in notices of defence and counterstatement filed on 30 November 2007. Both sides submitted evidence and were represented at a consolidated hearing held on 21 January 2009. The Hearing Officer, acting on behalf of the Registrar, issued his written decision on 12 February 2009 under reference number BL O/039/09.

The Hearing Officer’s decision

7. The Hearing Officer’s findings in relation to the shape trade mark were in summary:
 - (a) There was no evidence to support the objections based on section 3(2)(c) or 3(1)(d), which were dismissed.
 - (b) Certain of the terms in the specifications included goods that as Monsoon’s evidence indicated could be made in the shape of a Scottish terrier, namely:

Class 14

Goods in precious metals or coated therewith; jewellery, not including charm bracelets and charm necklaces

Class 18

Goods made of leather and imitations of leather; backpacks not including novelty backpacks, haversacks not including novelty haversacks, purses

There was a section 3(1)(b) objection in relation to those goods because the average consumer, held by the Hearing Officer to be the public at large, would not take goods in the shape of a Scottish terrier to indicate the origin of the goods. Moreover, since the shape would designate a characteristic of the goods, the mark was also excluded for the identified goods by section 3(1)(c).

- (c) Alternatively the shape trade mark could be attached to goods. In relation to the remaining products (and indeed all the goods), the mark was registered in breach of section 3(1)(b). The public were not used in the norms of trade to seeing a three dimensional object attached to product as being an indicator of origin, rather as decoration.
 - (d) The shape trade mark had been invalidly registered for all the goods. Registration number 2380724B was to be cancelled in its entirety.
8. In brief, the Hearing Officer's findings in respect of the series of device trade marks were:
- (a) Section 3(2)(c) was inapplicable and the objection based on section 3(1)(d) was not made out on the evidence.
 - (b) For the those parts of the specifications that included goods which could be made in the shape of a Scottish terrier, the device trade marks were objectionable under section 3(1)(b) and 3(1)(c) for the same reasons as the shape trade mark.
 - (c) Monsoon's evidence showed that the device of a Scottish terrier was used as decoration on, for example, clothing. However, one possible manner of use did not render the registrations invalid. The devices could equally be used on swing tags and labels, which the public would perceive as trade mark use. Accordingly, the device trade marks were not registered in breach of section 3(1)(b) for the remaining goods. Likewise, they were free from objection under section 3(1)(c) since decoration did not link to a characteristic of the remaining goods.
 - (d) Registration number 2380724A was to be cancelled in part in respect of:

Class 14

Goods in precious metals or coated therewith; jewellery, not including charm bracelets and charm necklaces

Class 18

Goods made of leather and imitations of leather; backpacks not including novelty backpacks, haversacks not including novelty haversacks, purses

Otherwise Registration number 2380724A remained validly registered.

The appeals

9. On 12 March 2009, Agatha filed Notice of appeal to the Appointed Person against the Hearing Officer's decision in respect of both registrations under section 76 of the Act. Agatha also applied to adduce further evidence on appeal. Monsoon said that it might seek leave to serve a Respondent's Notice late but in the event did not do so. At the appeal hearing, Agatha was represented by Mr. Nigel Hackney of Mewburn Ellis LLP. Mr. Alan Bryson of Counsel appeared on behalf of Monsoon.

Application to admit additional evidence

10. The evidence sought to be introduced in a witness statement of Nigel John Hackney dated 10 March 2009 fell into two parts:
 - (a) "State of the register" evidence showing a number of three dimensional marks registered in Classes 14, 18 and 25 without proving acquired distinctiveness through use (NJH1).
 - (b) A copy of a co-existence agreement made on 15 October 2007 between Radley & Co. Limited and Agatha concerning use and registration worldwide of the parties' respective dog logos (NJH2).
11. I allowed NJH1 into the appeal. Mr. Bryson confirmed that Monsoon had no objection and NJH1 comprised extracts from the public record that I did not consider tantamount to fresh evidence.
12. On the other hand, NJH2 was new evidence and the parties were agreed as to the principles governing the exercise of my discretion to admit it. The *Ladd v. Marshall* [1954] 1 WLR 1489 at 1491 criteria were basic to that exercise but other factors such as those listed in *Hunt-Wesson Inc's Trade Mark Application (SWISS MISS)* [1996] RPC 233 at 242 might also be relevant (*DU PONT Trade Mark* [2004] FSR 15 at 328 – 329).
13. The three conditions stated by Denning L.J. in *Ladd v. Marshall* were:

“... first, it must be shown that the evidence could not have been obtained with reasonable diligence for use at the trial; secondly, the evidence must be such that, if given, it would probably have an important influence on the result of the case, although it need not be decisive; third, the evidence must be such as is presumably to be believed, or in other words, it must be apparently credible, though it need not be incontrovertible.”
14. The *SWISS MISS* factors include the nature of the trade mark, the nature of the objections to it, whether or not the other side will be significantly prejudiced by the admission of the new evidence in a way that cannot be compensated, e.g., by an order of costs, the desirability of avoiding multiplicity of proceedings and the public interest concerned.
15. Mr. Hackney explained that Agatha's reason for wishing to adduce the co-existence agreement was that during the hearing, the Hearing Officer had mentioned his own

personal knowledge of the Radley Company and use of the Radley logos. The decision was unclear as to how, if at all, that affected his deliberations but it was at least arguable that the Hearing Officer's own personal knowledge might have influenced his findings of non-distinctiveness. The lateness of the evidence was attributable to the fact that the matter only arose at the hearing. The purpose of the further evidence was to show that Radley's use *inter alia* in the UK was with Agatha's consent.

16. I did not allow NJH2 into the appeal. First, I was not satisfied by the explanation for the delay. The co-existence agreement was known to Agatha all along and could easily have been placed before the Hearing Officer. Monsoon had put in evidence Radley's use of a "Scottie dog shape on everything they sell" (witness statement of Rosalynde Harrison, dated 17 January 2008, Exhibit RH2). Agatha had responded by drawing attention to Radley's "Scottie dog" Community trade mark registrations (witness statement of Alastair John Rawlence, dated 12 March 2008, paragraph 10). And Monsoon had exhibited a copy of Radley's figurative CTM number 004246385 inadvertently omitted from Mr. Rawlence's evidence at AJR5 (witness statement of Steven John Jennings, Exhibit SJJ4). Radley's registrations and use were at the forefront of everyone's minds.
17. Second, the co-existence agreement could not have had any impact on the result of the case for the simple reason that it was entered into almost three years after the relevant date (30 November 2004). Even ignoring that fact, the agreement sought to regulate registration and use of Agatha's and Radley's logo marks.
18. Agatha has not sought to overturn the Hearing Officer's findings that the marks in suit were non-distinctive and descriptive for those goods which could be in the shape of a Scottish terrier. In contrast, he held that Agatha's device trade marks (23480724A) were distinctive for the remainder of their registered goods and Monsoon has not appealed that finding. Agatha has challenged the Hearing Officer's ruling that the shape trade mark (2380724B) lacked distinctive character for goods not in the shape of a Scottish terrier. However, Radley's registration and use was irrelevant to the absolute ground for invalidity based on section 3(1)(b) and the Hearing Officer rightly made no reference thereto.
19. Third, the co-existence agreement was of course credible. Fourth, none of the *SWISS MISS* factors were persuasive either way.
20. My decision not to admit NJH2 into the appeal meant that Agatha's request for confidentiality in respect of parts of the agreement fell away.

Grounds of appeal

21. The grounds of appeal likewise fell into two parts:
 - (a) Agatha conceded that for goods in the shape of a Scottish terrier, the shape and device trade marks would be non-distinctive and descriptive of characteristics of the goods for the purposes of section 3(1)(b) and (c). However, the Hearing Officer wrongly held that such objections could not be overcome by the exclusions agreed with the Registry at the examination stage.

Further, he failed properly to entertain Agatha's requests at and subsequent to the hearing to find suitable exclusions.

- (b) For goods not in the shape of a Scottish terrier, the Hearing Officer wrongly held that the shape trade mark was non-distinctive under section 3(1)(b). There was no basis for his finding that the public would perceive the shape trade mark as decoration only and not as an indication of origin.

22. It is worth stating two points at the outset. First, the registrations were for a stylised version of a terrier-type dog. Second, the registrations were not in respect of dogs, terriers or otherwise.
23. I intend to deal with the grounds of appeal in reverse order. Since Monsoon's response to the second ground was rooted in the standard of appeal, I start with that.

Standard of appeal

24. There was no dispute that the appeal was a review and not a re-hearing and that I should follow the guidance set out by Robert Walker L.J. in *REEF Trade Mark* [2003] RPC 101 at 109 – 110:

"In this case the hearing officer had to make what he himself referred to as a multi-factorial comparison, evaluating similarity of marks, similarity of goods and other factors in order to reach conclusions about likelihood of confusion and the outcome of a passing-off claim. It is not suggested that he was not experienced in this field, and there is nothing in the Civil Procedure Rules to diminish the degree of respect which has traditionally been shown to a hearing officer's specialised experience. ... On the other hand the hearing officer did not hear any oral evidence. In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. The appellate court should not treat a judgment or written decision as containing an error of principle simply because of its belief that the judgment or the decision could have been better expressed. The duty to give reasons must not be turned into an intolerable burden: see the recent judgment of this court in *English v. Emery Reimbold & Strick Ltd* (and two other appeals heard with it) [2002] EWCA Civ 605, April 30, 2002, para. 19:

"... the judgment must enable the appellate court to understand why the judge reached his decision. This does not mean that every factor which weighed with the judge in his appraisal of the evidence has to be identified and explained. But the issues the resolution of which were vital to the judge's conclusion should be identified and the manner in which he resolved them explained. It is not possible to provide a template for this process. It need not involve a lengthy judgment. It does require the judge to identify and record those matters which were critical to his decision."

25. Mr. Bryson stressed with reference to *BUD and BUDWEISER BUDBR U Trade Marks* [2003] RPC 477 that neither surprise at a Hearing Officer's conclusion nor a

belief that he has reached the wrong decision sufficed to justify interference by the appeal court or tribunal.

Distinctiveness of the shape trade mark

26. For the purposes of this part of the decision, I have parked on one side those terms, which the Hearing Officer said included goods in the shape of a Scottish terrier, namely:

Class 14

Goods in precious metals or coated therewith; jewellery, not including charm bracelets and charm necklaces

Class 18

Goods made of leather and imitations of leather; backpacks not including novelty backpacks, haversacks not including novelty haversacks, purses

27. Even assuming success in the second ground for appeal, Agatha's only challenge to that finding was over the "novelty" exclusions. Agatha conceded that its shape trade mark was devoid of any distinctive character and descriptive for goods in the shape of a Scottish terrier.
28. The second ground of appeal, on the other hand, was directed at the Hearing Officer's conclusion that as an attachment to goods, the shape trade mark was purely decorative and wholly excluded from registration under section 3(1)(b).
29. Agatha argued that the Hearing Officer's decision was contrary to the case law of the Court of Justice of the European Union. He applied a different test of registrability to the shape trade mark that was internally inconsistent with his findings on the device trade marks. There was no basis in the evidence for his conclusion that the shape trade mark was unpossessed of distinctive character. The Hearing Officer wrongly considered the relevant public to be the public at large instead of the fashion and brand conscious consumer who will readily distinguish decorative and trade origin functions.
30. Monsoon responded that the Hearing Officer correctly instructed himself with reference to *Vibe Technologies Ltd's Application* [2009] ETMR 12. His finding of non-distinctiveness was one that he was entitled to make. The *REEF* standard precluded interference on appeal. There was nothing in the specifications to indicate that the relevant public was other than the public at large.
31. The finding in dispute followed the Hearing Officer's rejection of goods in the shape of a Scottish terrier under section 3(1)(b). The Hearing Officer commenced his appraisal of the shape trade mark and section 3(1)(b) with a reference to Case C-144/06 P, *Henkel KGaA v. OHIM* [2007] I-8109. The case concerned the registrability of a two-dimensional representation of a washing tablet under the Community trade mark Regulation. The European Court of Justice ("ECJ") said (emphasis mine):

“33. Under Article 7(1)(b) of Regulation No 40/94, trade marks which are devoid of any distinctive character may not be registered.

34. According to consistent case-law, for a trade mark to possess distinctive character within the meaning of that article, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble v OHIM* [2004] ECR I-5173, paragraph 32, and Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 42).

35. That distinctive character must be assessed, first, by reference to the products or services in respect of which registration has been applied for and, second, by reference to the perception of the relevant public (see Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble v OHIM*, paragraph 33, and Case C-25/05 P *Storck v OHIM* [2006] ECR I-5719, paragraph 25).

36. According to equally consistent case-law, the criteria for assessing the distinctive character of three-dimensional trade marks consisting of the appearance of the product itself are no different from those applicable to other categories of trade mark. However, when those criteria are applied, account must be taken of the fact that the perception of the average consumer is not necessarily the same in relation to a *three-dimensional mark consisting of the appearance of the product itself as it is in relation to a word or figurative mark consisting of a sign which is independent of the appearance of the products it denotes*. Average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the shape of their packaging in the absence of any graphic or word element, and it could therefore prove more difficult to establish distinctiveness in relation to such a three-dimensional mark than in relation to a word or figurative mark (Case C-136/02 P *Mag Instrument v OHIM* [2004] ECR I-9165, paragraph 30, and *Storck v OHIM*, paragraphs 26 and 27).

37. In those circumstances, only a mark which departs significantly from the norm or customs of the sector and thereby fulfils its essential function of indicating origin is not devoid of any distinctive character for the purposes of Article 7(1)(b) of Regulation No 40/94 (Case C-173/04 P *Deutsche SiSi-Werke v OHIM* [2006] ECR I-551, paragraph 31, and *Storck v OHIM*, paragraph 28).

38. That case-law, *which was developed in relation to three-dimensional trade marks consisting of the appearance of the product itself, also applies where, as in the present case, the trade mark applied for is a figurative mark consisting of the two-dimensional representation of that product*. In such a case, the mark likewise does not consist of a sign unrelated to the appearance of the products it covers (*Storck v OHIM*, paragraph 29).

39. It must be recalled that, in order to assess whether or not a trade mark has any distinctive character, the overall impression given by it must be

considered. That does not mean, however, that there is no need, first of all, to carry out a successive examination of the different presentational features used by this mark. It may be useful, in the course of the overall assessment, to examine each of the constituent features of the trade mark (see, in this respect, Case C-286/04 P *Eurocermex v OHIM* [2005] ECR I-5797, paragraphs 22 and 23, and the case-law cited there).”

32. Having considered the position in respect of goods that could be or could include goods in the shape of a Scottish terrier, the Hearing Officer continued:

“36. As stated above the shape mark could also be attached to the goods. In *Vibe Technologies Ltd’s Application* [2009] ETMR 12 Mr Richard Arnold QC, sitting as the appointed person stated:

“61. It is convenient to begin consideration of this ground with five propositions of law which are now well settled. First, for a trade mark to possess distinctive character, it must serve to identify the goods or services in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish the goods or services from those of other undertakings ...

62. Secondly, the distinctive character of a mark must be assessed by reference to: (i) the goods or services in respect of which registration is applied for, and (ii) the perception of the average consumer of those goods or services, who is deemed to be reasonably well informed and reasonably observant and circumspect ...

63. Thirdly, the criteria for assessment of distinctive character are the same for all categories of trade marks, but nevertheless the perception of the relevant public is not the same for all categories of trade marks and it may therefore be more difficult to establish distinctive character in relation to some categories (such as shapes, colours, personal names, advertising slogans and surface treatments) than others ...”.

The public are not used, in the norms of trade, to seeing a three dimensional object attached to a product as being an indicator of origin; it is more likely to be perceived as decoration. The shape mark could be attached to an umbrella, to a bottle of perfume, to an article of clothing. I can see no reason why the average relevant consumer would perceive such use as indicating origin; it would require education to give such use trade mark significance, and this is a case with a total absence of use of the trade mark in the United Kingdom. **In this form of use the trade mark would be devoid of any distinctive character in respect of all of the goods in the registration.**”

33. By “attached to a product” the Hearing Officer seems to have had in mind a tag. Certainly, that was how the parties understood it and the Hearing Officer had previously referred to Radley’s use of a dog tag attached to the handle of a bag and a bag charm shown in the evidence at RH2 and RH3 respectively. However, one could contemplate, for example, the shape trade mark being fashioned in metal or plastic and secured onto the product in question or its packaging.

34. In *August Storck KG's Application*, BL O/302/07, Ms. Amanda Michaels, sitting as the Appointed Person, analysed the jurisprudence of the supervising courts in Luxembourg on the distinctiveness of shape trade marks. She observed that the difference in consumer perception recognised by those courts pertained only to shape of product trade marks and not to signs unrelated to the appearance of the products they denoted (paras. 18 - 25). That same distinction was drawn in Case C-144/06 P cited by the Hearing Officer. In Case T-118/00, *Procter & Gamble v. OHIM (Square tablet, white with green speckles and pale green)* [2001] ECR II-2761 (upheld in Joined Cases C-468/01 P to C-472/01 P, *Procter & Gamble v. OHIM* [2004] ECR I-5141), for example, the General Court expressed it thus:

“56. Nevertheless, when those criteria [for assessing distinctive character] are applied, account must be taken of the fact that the perception of the public is not necessarily the same in relation to a three-dimensional mark consisting of the shape and the colours of the product itself as it is in relation to a word mark, a figurative mark or a three-dimensional mark not consisting of the shape of the product. Whilst the public is used to recognising the latter marks instantly as signs identifying the product, this is not necessarily so when the sign is indistinguishable from the appearance of the product itself.”

35. In *Vibe Technologies Ltd's Application*, Mr. Arnold usefully set out five established propositions of law in relation to distinctive character, inherent and acquired. In the third proposition (para. 63), it seems to me that he was not seeking to extend existing jurisprudence from shape of product trade marks to shapes in general, as was clear from the cases he cited¹, namely: Joined Cases C-53/01 to C-55, *Linde AG, Windward Industries Inc and Rado Uhren* [2003] ECR I-3161 (vehicle, torch and watch); Case C-218/01, *Henkel KGaA v. Deutsches Patent- und Markenamt* [2004] ECR I-1725 (liquid detergent bottle); *Procter & Gamble v. OHIM* (supra) (washing tablets); Joined Cases C-456/01 P and C-457/01 P, *Henkel KGaA v. OHIM* [2004] ECR I-5089 (washing tablets); Case C-136/02 P, *Mag Instrument Inc v. OHIM* [2004] ECR I-9165 (torch); Case C-173/04 P, *Deutsche SiSi-Werke GmbH & Co. Betriebs KG v. OHIM* [2006] ECR I-551 (stand-up drinks pouch); and Case C-24/05 P, *August Storck AG v. OHIM* [2006] ECR I-5677 (sweets).

36. I agree with Agatha that there is some inconsistency between the finding in dispute and the Hearing Officer's corresponding treatment of the device trade marks at paragraph 45:

“45. The challenge by Monsoon under section 3(1)(b) of the Act essentially relates to the use of the device of a Scottish terrier as a form of decoration. Any representation of an animal could be used as decoration on certain goods; I cannot see that there can be a bar per se to the use of a device of any animal. It is a question of the facts of a particular case. The evidence shows that the device of a Scottish terrier is used as decoration on a variety of articles. Most of the evidence cannot be identified as emanating from before the material date in the United Kingdom, however, it does indicate that undertakings do and will wish to use the device of a Scottish terrier, including Monsoon. I cannot see that there is anything tainted about Monsoon's evidence of its own

¹ Omitted from the citation by the Hearing Officer.

use of the Scottish terrier device, there has been no challenge to the genuineness of this use. There is nothing to suggest that the device was used for anything other than decoration, that there was any ulterior motive in the use of the device. The device of a Scottish terrier is used on its own, eg on the Topshop skirt and the Simply Be nightshirt, and also used in the plural to form a pattern. In both forms of use, the use is one of decoration, there is nothing to suggest trade mark use. The average, relevant consumer is unlikely to perceive that the use is for anything other than decorative purposes. It is common nowadays for trade marks to be placed on the exterior of various products such as clothing, footwear and bags. The Scottish terrier on the t-shirt is, as far as one can tell, there for decorative purposes, not as an indication of origin; the very potential ambiguity underlines the problems that are given rise to by granting registered trade mark status to the device trade marks of Agatha. If used on the front of clothes is this decorative use or does it indicate origin? How is the average, relevant consumer to know without something else to indicate the nature of the use? Why should the average, relevant consumer assume that such use is trade mark use? In relation to the class 18 goods there is no evidence of use in a Scottish terrier in the singular but the evidence suggests that such use is a probability. The decorative use of the Scottish terrier has been established, if not in singular form for the class 18 goods. The trade marks could be used on such things as swing tags and sewn in labels, such use would then be perceived by the average, relevant consumer as trade mark use. I cannot see that, taking into account the nature of the trade marks, that one can assume that the registration is invalid under section 3(1)(b) of the Act because one particular form of use would not be seen as trade mark use. There is plenty of case law to say that certain types of two-dimensional trade marks would normally fail to clear a perception barrier eg slogans. The issues herein relating to decoration hinge on actual use by other traders of the particular device; giving rise to the need to leave free. The need to leave free is the basis of objections under section 3(1)(c) and 3(1)(d); in relation to decorative use of the Scottish terrier this is a matter, if it is a matter for anything, of section 3(1)(d) of the Act; the decorative use does not link to a characteristic. (I have dealt with the areas where the trade marks are objectionable under section 3(1)(c) of the Act above.) **Consequent upon this I cannot find that the registration of the trade marks was contrary to section 3(1)(b) of the Act where it was not contrary to section 3(1)(c) of the Act.”**

37. The registrations in suit are for the same stylised representation of a terrier-type dog in two- and three-dimensional forms. It was discussed at the hearing that a swing tag might have one of the device trade marks imprinted over its entire face. Alternatively the swing tag could be fashioned in leather into the three-dimensional form. The difference between the two swing tags would be a question of millimetres. Similarly a label could bear the designation in two- or three-dimensional form, i.e., as a print or an object. Again any difference would be minimal.
38. Contrary to Monsoon’s assertions, I do not believe that *Vibe Technologies Ltd’s Application* was authority for the Hearing Officer’s finding that:

“The public are not used, in the norms of trade, to seeing a three dimensional object attached to a product as being an indicator of origin ...”.

Nor was there any basis for that finding in the evidence, as the Hearing Officer himself seems to have acknowledged. Indeed Radley’s use and registrations pointed in the opposite direction. The Hearing Officer failed to provide adequate reasoning for his decision (*REEF*, supra; Case C-273/05 P, *OHIM v. Celltech R&D Ltd* [2007] ECR I-2883, paras. 39 – 45) and in my judgment he erred in principle.

39. I should state, however, that I do not believe the Hearing Officer wrongly identified the relevant public as the public at large. There is nothing in the specifications to indicate that the registered goods are directed at the fashion conscious public only. Accordingly I turn to reconsider the shape trade mark and section 3(1)(b) on that basis² Again my deliberations are limited to the remaining goods.
40. It is well established that the absolute grounds for refusal of registration/invalidity are to be examined separately and according to the public interest underlying each of them. The general interest behind section 3(1)(b) is to guarantee the identity of origin of the designated goods. A trade mark is distinctive when it serves to distinguish the goods of one undertaking from those of another undertaking. The distinctive character of a trade mark must be assessed by reference to: (a) the goods in question; and (b) the perception of the relevant public (Case C-304/06 P, *Eurohypo AG v. OHIM* [2008] ECR I-3297, paras. 54 – 56, 66 – 67). There is no threshold of artistic creativity or imaginativeness (Case C-329/02 P, *SAT.1 SatellitenFernsehen GmbH v. OHIM* [2004] ECR I-8317, para. 41). With shapes unrelated to the goods, it is unnecessary to show they depart from the norm (see the cases mentioned at paras. 34 and 35 above).
41. I have revisited the evidence, in particular, that of Rosalynde Harrison. There was nothing to suggest, as the Hearing Officer seems to have supposed, that market practices at the time would have rendered use of the shape trade mark origin neutral (*CYCLING IS ... Trade Mark* [2002] RPC 729). The shape trade mark bears no relationship to the remaining goods and in my judgment it was distinctive for the purposes of section 3(1)(b).
42. The second ground of appeal succeeds. Registration number 2380724B remains validly on the register for:

Class 3

Perfumery, essential oils, cosmetics, hair lotions; dentifrices

Class 14

Precious metals and their alloys; precious stones; horological and chronometric instruments

² I had before me the same materials as the Hearing Officer and also the benefit of further submissions from Mr. Hackney and Mr. Bryson on appeal. I considered that the overriding objective was best served by me determining the issue.

Class 18

Leather and imitations of leather; hides; trunks and travelling bags; umbrellas and parasols; handbags, make-up bags, wallets, garment bags, briefcases, attaché cases, card cases, key cases, school bags, travelling trunks and vanity cases

Class 25

Clothing, footwear and headgear.

Partial invalidation

43. The first ground of appeal raises several issues: (1) the Registrar's "novelty" practice; (2) partial invalidation within broad terms; and (3) the need for an unconditional surrender within section 45 of the Act.
44. At the appeal hearing, with regard to issues (2) and (3), I drew the parties' attention to the cases of *SENSORNET Trade Mark*, BL O/136/06 and *CITYBOND Trade Mark* [2007] RPC 301 and the Registry's PAN 14/06 & TPN 2/2006 on partial refusals. The parties adjourned to consider, in particular *CITYBOND*, and also submitted written comments on the documents following the hearing.

Issue 1

45. Agatha argues that despite the section 3(1)(b) and 3(1)(c) objections for goods in the shape of a Scottish terrier, which Agatha concedes, the Hearing Officer should have confirmed the exclusions agreed to Registrations numbers 2380724B and 2380724A during examination. As the result of section 3(1) objections at that stage, Agatha had agreed to exclude charm bracelets and charm necklaces from Class 14 and novelty backpacks and novelty haversacks from Class 18.
46. The Hearing Officer thought that the exclusions did not go far enough in relation to Class 14: "*goods in precious metals or coated therewith and jewellery*: these would include such things as ornaments, cufflinks, earrings and tie pins in the form of a Scottish terrier" (para. 33). Clearly that is correct and I did not understand Agatha to challenge it. Instead, Agatha says that the Hearing Officer should have made further limitations to the Class 14 specification including along the lines proposed by Agatha following the invalidity hearing. I shall deal with that point in with issues 2 and 3.
47. The Hearing Officer's observations regarding the registered exclusions in Class 18 were as follows:

"34. ... Agatha has accepted a specification that excludes goods that might be in the shape of a Scottish terrier novelty backpacks. In *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* Case C-363/99 the ECJ stated

"114. By contrast, where registration is applied for in respect of particular goods or services, it cannot be permitted that the competent authority registers the mark only in so far as the goods or services concerned do not possess a particular characteristic."

The exclusions in the specification are in the following terms:

backpacks not including novelty backpacks, haversacks not including novelty haversacks.

‘Novelty’ is a characteristic of the goods, it is also a term that is open to a number of interpretations. I do not consider that this term is compliant with the judgment of the ECJ in *Koninklijke KPN Nederland NV v Benelux-Merkenbureau ...*”.

48. Mr. Hackney argued that those observations were contrary to the advice offered to applicants in the *Manual of Trade Marks Practice, The Examination Guide*, at page 150:

“Mark: FROG

Specification: “Footwear; but not including footwear in the form of frogs”.

This exclusion does not overcome the descriptiveness objection. The exclusion covers only a specific characteristic of the goods rather than a sub-category. The objection could be overcome by excluding “novelty footwear”.

49. Mr. Bryson basically affirmed what the Hearing Officer said. He referred me to the decision of the General Court in Case T-458/05, *Tegometall International AG v. OHIM* [2007] ECR II-4721. The court held that intended purpose is a characteristic of goods and that an exclusion of goods not of wood or imitation wood altered the characteristics of those goods (paras. 25 and 27).
50. I note that: (a) the Registry’s *Manual* is meant for guidance only (*Henkel KGaA’s Application*, BL O/152/01, para. 12); and (b) “novelty” means “**1** a newness; new character. **2** a new or unusual thing or occurrence. **3** a small toy or decoration etc. of novel design. **4** (*attrib.*) having novelty (*novelty toys*)” (*Oxford English Reference Dictionary*).
51. Given Agatha’s concessions, i.e., that its trade marks represent characteristics of the goods in suit, it seems to me inescapable that “novelty backpacks” and “novelty haversacks” are exclusions by reference to characteristics of the goods. I also agree with the Hearing Officer that in the context of the goods, “novelty” is a subjective term capable of different interpretations at different times. I am reminded of why the ECJ ruled in Case C-363/99, *Koninklijke KPN Nederland NV v. Benelux-Merkenbureau (POSTKANTOOR)* [2004] ECR I-1619 against characteristics of goods exclusions:

“115. Such a practice would lead to legal uncertainty as to the extent of the protection afforded by the mark. Third parties – particularly competitors – would not, as a general rule, be aware that for given goods or services the protection conferred by the mark did not extend to those goods or services having a particular characteristic, and they might thus be led to refrain from using the signs or indications of which the mark consisted and which were descriptive of that characteristic for the purpose of describing their own goods.”

Issues 2 and 3

52. Following the invalidity hearing, Mr. Hackney wrote to the Registry, Hearings Section on behalf of his client indicating that it may prove necessary to limit the specifications (Mewburn Ellis fax of 10 February 2009). He said that they hoped this could be done by extending the present exclusions rather than deleting terms, and that the Hearing Officer would propose any additional exclusions. Alternatively they would be happy to put forward suggestions. Mr. Hackney provided the following example in Class 14 (additional limitation underlined):

“Precious metals and their alloys and goods in precious metals or coated therewith; jewellery, not including charm bracelets and charm necklaces, charm or novelty earrings, novelty cufflinks, precious stones; horological and chronometric instruments.

He suggested that a similar approach could be used to exclude other objectionable items which could be dog shaped.

53. The Hearing Officer recorded the correspondence in his decision and also that Mr. Hackney had signified an interest in amending the specifications at the hearing. He said:

“48. ... The specification proposed by Mr. Hackney in relation to class 14 goods excluded charm or novelty earrings and novelty cufflinks. I cannot see that such an amendment of the specification would be compliant with the *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* principles. Indeed I cannot see that any exclusions, as suggested in the facsimile transmission, would assist Agatha. I cannot see that any tinkering with the specifications could assist Agatha; especially bearing in mind the need for clarity and precision in the specification. Outwith this, the issues must be judged on whether the general categories of goods encompass goods for which there can be objection ...”.

54. Mr. Hackney argued that the appropriate course of action was for the Hearing Officer to approve the proposed or similar exclusions. Mr. Bryson said that the Hearing Officer was under no obligation to, and indeed could not, entertain a limitation of terms in the specifications in the absence of an unconditional surrender of goods on the part of Agatha pursuant to section 45 of the Act. Similarly, I had no power on appeal to entertain any such proposal. Mr. Bryson supported his position by reference to case law of the General Court on article 43(1) of the Community trade mark Regulation.
55. Similar issues were discussed at length by Mr. Geoffrey Hobbs QC sitting as the Appointed Person in *CITYBOND Trade Mark*. *CITYBOND* concerned opposition proceedings but Mr. Hobbs' comments were equally applicable to invalidity proceedings, as the following paragraphs show:

“Article 13

14. In accordance with Community (hence United Kingdom) law, Article 13 is binding upon the Registrar of Trade Marks as the person whose task it is to implement the Trade Marks Directive (Council Directive 89/104/EEC) on behalf of the State in Registry proceedings in the United Kingdom. It provides as follows:

Where grounds for refusal of registration or for revocation or invalidity of a trade mark exist in respect of only some of the goods or services for which that trade mark has been applied for or registered, refusal of registration or revocation or invalidity shall cover those goods or services only.

The underlying principle is clear: as and when the need for corrective action arises, the list of goods or services covered by a trade mark application or registration should be reduced so far as necessary to confine it to goods or services for which the trade mark in question is fully registrable. Article 13 does not, in itself, provide the Registrar with the power to take the steps necessary for the attainment of that objective. It sets the agenda for the exercise of the powers available to him under the pertinent provisions of the Trade Marks Act 1994 and the Trade Marks Rules 2000. The operative obligation is an obligation to interpret and apply those provisions so far as possible in conformity with the requirements of Article 13.

15. Article 13 supposes that the Registrar has been called upon:

- (1) to determine whether the list of goods or services covered by the relevant application or registration contains ‘objectionable wording’ by which I mean wording which covers goods or services that are caught by the objection(s) in issue; the determination must be made on the basis of the wording that the proprietor of the relevant application or registration has chosen to defend against the objection(s) in issue; it should accordingly be clear precisely what wording he is seeking to defend;
- (2) to strike out wording which is found to be objectionable so as to ensure that the list of goods or services does not cover goods or services to which the relevant application or registration should not extend; that appears to be the required remedy even if less than 100% of the goods or services embraced by the wording in question are within the scope of the objection(s) that are considered to be well-founded: cf Case T-359/99 Deutsche Krankenversicherung AG v. OHIM [2001] ETMR 81, p.919 at paragraphs 32, 33 and Case T-356/00 DaimlerChrysler AG v. OHIM [2003] ETMR 61, p.778 at paragraphs 33 and 36;
- (3) to determine whether the objection(s) in issue can be eliminated by the adoption of narrower wording in lieu of the objectionable wording and, if so, what the narrower wording should be.

So far as I can see, it is both permissible and appropriate for the purposes of Article 13 to require the objector on the one hand and the proprietor of the relevant application or registration on the other to be pro-active in pursuit of their respective interests and concerns in relation to these matters.

16. Procedural autonomy and the need for the proprietor to be pro-active in pursuit of his interests and concerns are both emphasised in the approach to Article 13 proposed by Advocate General Sharpston, in the context of ex officio objections to registration, in her Opinion delivered in Case C-239/05 BVBA Management, Training en Consultancy v. Benelux-Merkenbureau on 6 July 2006:

62. The Directive, as is clear from the third recital in the preamble, does not seek to undertake full-scale approximation. According to the fifth recital, ‘Member States also remain free to fix the provisions of procedure concerning the registration’ of trade marks. It would seem to be consistent with that freedom for a national system to authorise partial registration (in the sense of registration of the mark sought but for some only of the goods or services concerned) on condition that the applicant requests it as an alternative to full registration in its application to the competent trade mark authority.

63. That freedom is merely an illustration of the more general principle laid down by the Court that ‘in the absence of Community legislation governing the matter it is for the domestic legal system of each Member State to lay down the detailed procedural rules governing court actions for safeguarding rights which individuals derive from Community law’ (provided of course that the principles of equivalence and effectiveness are respected). In the specific context of trade marks, the Court noted in *Postkantoor* that ‘a court asked to review a decision on an application for a trade mark registration must also have regard to all the relevant facts and circumstances, *subject to the limits on the exercise of its powers as defined by the relevant national legislation*’.

64. It seems to me to be wholly consistent with that case-law for national rules to preclude a court which is reviewing the decision of a trade mark office from ruling on the distinctive character of the mark for each of the goods and services separately. It does not seem unreasonable or unduly onerous to expect a trade mark applicant which wishes to preserve its right to apply for partial registration to make that clear in its application for registration. It is, after all, at that stage that the applicant can best assess its commercial interests (indeed application for registration is likely to be the culmination of a period of assessment) and decide whether, if full registration of the trade mark sought is refused, it would be content with partial registration of that mark for fewer goods or services, or whether it would prefer to make a fresh application for a different mark for more goods or services.

65. The interests of procedural efficiency would also seem to be best served if the question of full versus partial registration is considered at the time of application for registration. A national trade mark office is surely a more appropriate forum than an appellate court for the first evaluation of that issue.

66. The Commission considers that the principal argument against the above view is the wording of Article 13 of the Trade Marks Directive, which states that refusal of registration cannot cover goods other than those for which there are grounds for refusal of registration.

67. That provision must however be read in the light of the overall scheme of the Directive, and in particular the competence it reserves to the Member States to lay down procedural rules. It seems to me that the spirit of Article 13 is accurately reflected provided that national law ensures that trade mark applicants may in the alternative seek partial registration in their application.

68. That interpretation is moreover in my view consistent with the dictum of the Court in *Postkantoor* to the effect that ‘when registration of a mark is sought in respect of an entire class ... the competent authority may, pursuant to Article 13 of the Directive, register the mark only in respect of some of the goods and services belonging to that class ...’. The Court was there invoking Article 13 as the basis for giving the national trade mark office that (permissive) power. It does not, however, follow that Article 13 imposes a substantive obligation on a trade mark office to contemplate partial registration ex officio in all cases. On that basis, there is no conflict with Article 13 if national procedural rules require an applicant who wants the trade mark office to consider partial registration to make that clear in its application. On the contrary, such rules enhance procedural efficiency, are less rather than more cumbersome in the context of the procedure viewed as a whole, and do not make the exercise of Community law rights impossible or unduly difficult.

17. There is no single provision of the Act corresponding to Article 13. The Registrar is empowered to adopt narrower wording in lieu of existing wording under Sections 13, 37(3) and (4), 39(1), 40(1), 45(1), 46(5) and 47(5) of the Act and the associated provisions of the Rules. I do not doubt that his powers can and should be exercised in conformity with the requirements of Article 13, once they have been duly and effectively invoked. It is clear in relation to objections raised ex officio by the Registrar that the person responding is required to decide whether he will propose narrower wording with a view to eliminating the relevant objection(s). The Registrar is then required to decide on the acceptability of any narrower wording that may be proposed. In relation to objections raised adversarially in inter partes proceedings, the Registrar is required to adjudicate fairly and impartially on the matters in issue. He may not act antagonistically towards either side in the dispute: The President of the State of Equatorial Guinea and Another v. The Royal Bank of Scotland International and Others [2006] UKPC 7 (27 February 2006). It

seems to me that in adversarial proceedings he would be acting protagonistically towards the objector if he intervened of his own motion to defend the contested application or registration. I therefore consider that he should, in the context of such proceedings, strike out objectionable wording without proceeding to adopt narrower wording for the purpose of eliminating the objection(s) he considers to be well-founded unless that is a matter which has been properly and fairly raised for adjudication. It certainly appears to me that Sections 46(5) and 47(5) of the Act require the matter to be properly and fairly raised if it is to be a live issue in adversarial proceedings of the kind to which those provisions apply.

18. So when and how should the matter be raised? This is an area in which there is a need for greater clarity and consistency of approach. The issues arising were considered by Mr. Richard Arnold QC (in the context of an objection raised ex officio by the Registrar under Section 5(2)(b) of Act) in paragraphs 39 to 59 and 64 to 69 of his decision in Sensornet Ltd's Trade Mark Application BL 0-136-06, 11 May 2006. I agree with Mr. Arnold in thinking that it is appropriate to distinguish between: (1) the Registrar's power to give effect to a legitimate objection by deleting wording from a list of goods or services; and (2) the power that the Registrar also possesses to give effect to legitimate requests for the adoption of narrower wording sufficient to eliminate legitimate objections. I also agree with him in thinking that the latter power should be invoked sooner rather than later in the proceedings in which the adoption of narrower wording is to be considered. That means sooner rather than later in relation to the final determination of the proceedings in the Registry.

19. The need to work towards a final decision in the Registry has implications which do not always appear to be fully understood. The proceedings may be conducted on the basis that the adoption of narrower wording is a matter which will (if it is a live issue) be considered by the Registrar at the same time as he considers whether the list of goods or services contains objectionable wording that should be struck out. If so, the case for adopting narrower wording will need to be presented in advance of the Registrar's determination of the question whether any wording should be struck out. The proprietor can, if he wishes, identify narrower wording he would prefer to defend and either take or unconditionally agree to take whatever steps might be required for adoption of that wording in lieu of the existing wording. The narrower wording may then be regarded as the wording he has chosen to defend against the objection(s) in issue. If he identifies narrower wording without either taking or unconditionally agreeing to take the steps that might be required for adoption of that wording, he will succeed only in raising a fallback position for consideration in the event that the Registrar decides to uphold the objection(s). If he does not identify any narrower wording, it may be open to question whether he has succeeded in raising a fallback position for consideration by the Registrar. I would add that attempts to pursue these options for the first time on appeal raise questions as to the justice and fairness of permitting that to happen, especially bearing in mind the limitations on the ability of an appellate tribunal to exercise powers reserved in the first instance to the Registrar.

20. Alternatively, the proceedings may be conducted on the basis that the Registrar will decide whether any wording should be struck out and will in the meantime defer consideration of the question (assuming it to have been raised) whether any and, if so, what narrower wording might legitimately be adopted for the purpose of eliminating the objection(s) in issue. I take the view that it is open to the Registrar to proceed in that manner by stipulating that any decision to strike out wording will be delivered in the form of an interim decision: see Digeo Broadband Inc's Trade Mark Application [2004] RPC 32, p.638 at paragraphs 5 to 9; compare the practice of the Comptroller General in revocation proceedings under Section 72(4) of the Patents Act 1977 as noted in paragraph 72.51 of the CIPA Guide to the Patents Acts 5th Edn (2001) and paragraph 14-40 of Terrell on Patents 16th Edn (2006). However, that is a procedure which should be implemented by the Registrar on due consideration of its appropriateness. In the absence of any settled practice, the Registrar may usefully be asked to appoint a case management conference under Rule 36 or a pre-hearing review under Rule 37 for the purpose of determining whether some such procedure should be implemented in the case in hand. It will not be possible either for the Registrar or an appellate tribunal to re-characterise a final decision as an interim decision after it has been delivered.

21. No special procedure was implemented in the present case. The hearing officer's decision was final, but open to appeal under Section 76. The Opponents appealed. After the appeal had been heard, the Applicant raised a request for Article 13 to be applied so as 'to allow the application in suit to proceed to registration for those services in relation to which the Opposition is unsuccessful'. The request was contingent upon the appeal being allowed in relation to some, but not all of the services listed in the contested application for registration. If and to the extent that it was a request for the adoption of narrower wording in lieu of objectionable wording, it amounted to a request for the opportunity to pursue a fallback position. The fallback position would need to be identified and the acceptability of it considered in the context of the Registrar's power to give effect to legitimate requests for the adoption of narrower wording sufficient to eliminate legitimate objections. For that to be possible, I would need to remit the opposition to the Registrar for further determination. I have the power to do so. My decision with regard to the exercise of that power in the circumstances of the present case is given below."

56. From their post-appeal hearing submissions, it appears that the parties are agreed on two things:
- (a) Partial invalidation was a live issue. Agatha raised it at the invalidity hearing and by fax before the Hearing Officer made his determination.
 - (b) Agatha sought to reserve a fallback position. If the Hearing Officer decided the objections against Agatha, Agatha wished to adopt narrower wording examples of which were put forward.
57. Mr. Hobbs decision in *CITYBOND* indicates that there were two courses of action available to the Hearing Officer in such a situation: (i) decide the objection and

narrower wording together; or (ii) issue an interim decision and hold over the question of narrower wording. In the present case, the Hearing Officer chose the former course of action. Agatha is in effect arguing that he should have adopted the alternative route.

58. Mr. Bryson's original response, as I understood it, was that because Agatha failed to make an unconditional surrender of goods under section 45(1) of the Act and the relevant Rules, the Hearing Officer was not in any event obliged to consider narrower wording. His post-appeal hearing submissions extended that argument to my powers on appeal.
59. Mr. Bryson said that reflected the position in the Community trade mark system. He referred me to three decisions of the General Court in relation to article 43(1) of the Regulation (formerly article 44(1) Regulation 40/94/EC): Case T-209/00, *Ellos AB v. OHIM* [2002] ECR II-753, Case T-468/05, *TEGOMETALL* and Case T-48/06, *Astex Therapeutics Ltd v. OHIM* [2008] ECR II-0161. Article 43(1) deals with restriction of the list of goods or services in a Community trade mark application and corresponds to section 39(1) of the Act. However, Mr. Bryson argues that the General Court would rule in the same way regarding surrender of goods or services under article 50(1) of the Regulation (formerly article 49(1) Regulation 40/94/EC), which is the equivalent to section 45(1) of the Act. Mr. Bryson says that the point was not argued before Mr. Hobbs in *CITYBOND*.
60. It is true that in *CITYBOND*, Mr. Hobbs did not refer to restriction of goods and services under the Community trade mark system. However, he did take into account the decision of Mr. Arnold in *SENSORNET* at paragraphs 39 to 59 and 64 to 69. At paragraph 65 of *SENSORNET*, Mr. Arnold mentioned the case law of the General Court on article 43(1) including *ELLOS*, but reached no conclusions. I believe it unlikely that Mr. Hobbs was unaware of the General Court cases when he delivered his judgment in *CITYBOND*. Moreover, as Advocate General Sharpston stressed in her Opinion concerning partial refusal in Case C-239/05, *BVBA Management, Training en Consultancy v. Benelux-Merkenbureau* [2007] ECR I-1455 (paras. 62 – 68 above) matters of trade mark procedure are left by the Directive to the competencies of Member States (see also the ECJ judgment in *BVBA*, paras. 43 – 48).
61. In *TEGOMETALL* and *ASTEX*, the restrictions were denied because they amounted not to withdrawals but alterations of the characteristics of goods, which changed the subject matter of the proceedings contrary to article 135(4) of the General Court's Rules of Procedure³. In *ELLOS*, the applicant complained that the Board of Appeal did not take into account its offer to drop Class 25 of the application. The General Court said there was no partial withdrawal because the applicant did not make it expressly and unconditionally. However, it is difficult to see what difference the withdrawal would have made in any event. The Board's objections to registration did not extend to Class 24 of the application and were overruled in Class 35.

³ *TEGOMETALL* was an application for a declaration of invalidity so it is unclear why the court spoke of restricting a CTM application under article 44(1) Regulation 40/94/EC. OHIM additionally argued that the restriction was contrary to *POSTKANTOOR*.

62. As Mr. Arnold noted in *SENSORNET*, a distinction exists between refusal and cancellation in that article 13 of the Directive is directly incorporated into the cancellation provisions of the Act (para. 47). For invalidity section 47(5) states:

“Where grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.”

In connection with the same provision for revocation in section 46(5) of the Act, the courts have shown little hesitation in restricting terms in specifications (*Thomson Holidays Ltd v. Norwegian Cruise Lines Ltd* [2003] RPC 32).

63. I can see no cause to depart from the procedure set out by Mr. Hobbs in *CITYBOND*. In my judgment, the Hearing Officer was entitled to take into account the fallback proposals advanced by Agatha at the hearing and in the fax of 10th February 2009. The question is whether the Hearing Officer should have issued an interim decision to enable exploration of the fallback position, or whether I should do so on appeal.

64. I have decided against issuing an interim decision for the following reasons. First, the proposed exclusions from Class 14, namely “charm or novelty earrings and novelty cufflinks” suffer from the same *POSTKANTOOR* shortcomings as “novelty haversacks” and “novelty backpacks” (above paras. 47 – 51). Second, the exclusions do not address the extent of the objections raised by the Hearing Officer in Class 14, which Agatha conceded on appeal. Third, because of Agatha’s concessions in relation to goods in the shape of a Scottish terrier, like the Hearing Officer, I am unable to discern how Agatha’s position can be improved in relation to the goods in question.

65. Accordingly, I believe that no purpose would be served through further delay and I confirm that Registration numbers 2380724B and 2380724A are declared invalid for:

Class 14

Goods in precious metals or coated therewith; jewellery, not including charm bracelets and charm necklaces

Class 18

Goods made of leather and imitations of leather; backpacks not including novelty backpacks, haversacks not including novelty haversacks, purses

Conclusion

66. Agatha has succeeded in its second but failed in its first ground of appeal. The net result in these proceedings is that:

(1) Trade Mark numbers 2380724B and 2380724A remain valid on the Register in respect of:

Class 3

Perfumery, essential oils, cosmetics, hair lotions; dentifrices

Class 14

Precious metals and their alloys; precious stones; horological and chronometric instruments

Class 18

Leather and imitations of leather; hides; trunks and travelling bags; umbrellas and parasols; handbags, make-up bags, wallets, garment bags, briefcases, attaché cases, card cases, key cases, purses, school bags, travelling trunks and vanity cases

Class 25

Clothing, footwear and headgear.

- (2) Trade Mark numbers 2380724B and 2380724A are declared invalid for:

Class 14

Goods in precious metals or coated therewith; jewellery, not including charm bracelets and charm necklaces

Class 18

Goods made of leather and imitations of leather; backpacks not including novelty backpacks, haversacks not including novelty haversacks, purses

Costs

67. The relative successes of the parties being about equal, I will order that each party bear responsibility for its own costs in the Registry and on appeal. Agatha was only partially successful in its application to adduce further evidence but that was counter-balanced by Monsoon abandoning its application to serve a Respondent's Notice late.

Professor Ruth Annand, 18 January 2010

Mr. Nigel Hackney, Mewburn Ellis LLP appeared on behalf of Agatha Diffusion

Mr. Alan Bryson of Counsel instructed by Lewis Silkin LLP appeared on behalf of Monsoon Accessorize Limited