

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No 2005272
BY KLP LIMITED
TO REGISTER A 3D SHAPE TRADE MARK
IN CLASS 29

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 45406
BY MD FOODS AMBA

TRADE MARKS ACT 1994

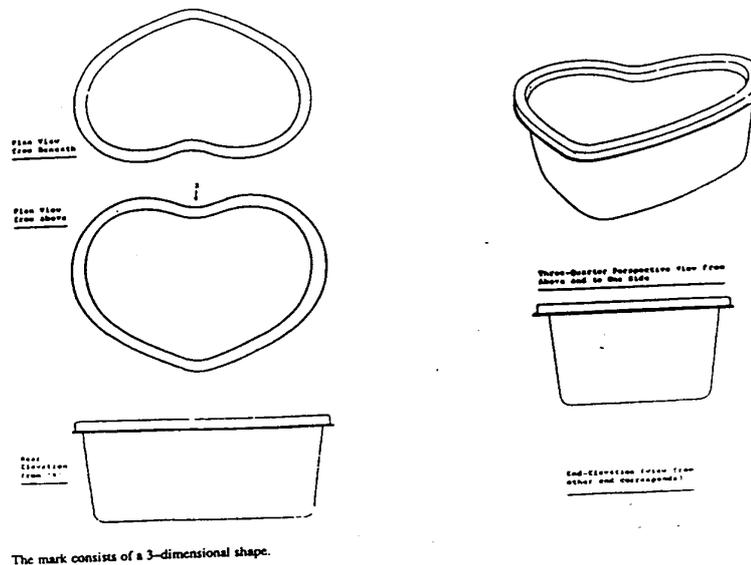
IN THE MATTER OF APPLICATION No 2005272
by KLP LIMITED
5 TO REGISTER A TRADE MARK IN CLASS 29

AND IN THE MATTER OF OPPOSITION THERETO
UNDER NUMBER 45406
by MD FOODS AMBA

10 **DECISION**

BACKGROUND

15 On 19 December 1994 KLP Limited of Number One, Craven Hill, London, W2 3EN applied under the Trade Marks Act 1994 for registration of the trade mark shown below:



35 In respect of the following goods in Class 29: “Edible Oils, edible fats; butter, margarine; reduced fat-content dairy products; spreads; all offered to consumers in packaging of the shape described in the accompanying representations.”

40 On the 13 September 1996 MD Foods AMBA filed notice of opposition to the application. The grounds of opposition are in summary:

45 i) The opponent has made substantial use of a mark which is identical or similar to the mark in suit in relation to identical or similar goods and the application therefore offends against the following Sections of the Trade Marks Act 1994:

- Section 3(1)(a). The trade mark is not capable of distinguishing the applicant’s

goods from those of the opponent.

- Section 3(3)(a). The mark applied for is contrary to public policy.
- Section 3(3)(b). The mark as applied for is of such a nature as to deceive the public.
- Section 3(4). Use of the mark applied for is prohibited in the UK by virtue of the Opponent's reputation in their similar mark.
- Section 5(4)(a). Use of the mark applied for is liable to be prevented by virtue of any rule of law protecting an unregistered trade mark including an action for passing off based upon the opponents prior use and reputation.

ii) The goods specified by the applicant can be manufactured in a form whereby the fat content is low with the result that consumption of the goods has positive effects on the condition of the heart or at least reduces the likelihood of high levels of cholesterol and consequent risk of or at least perceived risk of heart disease. In relation to such goods a heart shaped container is not capable of distinguishing and is wholly non-distinctive. The mark in suit therefore offends against the following Sections of the 1994 Act:

- Section 3(1)(a). The trade mark does not satisfy the requirements of Section 1(1).
- Section 3(1)(b). The mark is devoid of any distinctive character.
- Section 3(1)(c) The mark consists exclusively of a sign which serves in trade to designate the kind or quality or other characteristics of the goods.
- Section 3(3)(b). Use of the mark applied for in relation to goods which do not have a low fat content and/or otherwise not beneficial to the health and reduce risks of heart disease are likely to deceive the public.

iii) In addition the mark applied for offends against the following:

- Section 3(2)(c). The mark consists of an inherently attractive shape which is aesthetically appealing to consumers. As such, the shape adds substantial value to the goods.
- Section 3(6). The mark is not being used and there is no intention to use the mark in relation to the goods listed in the application.
- Section 32(3). The mark is not being used and there is no intention to use the mark in relation to the goods listed in the application

The applicant filed a counterstatement denying all the grounds. Both sides ask for an award of costs. Both sides filed evidence in these proceedings and the matter came to be heard on 30 November 1999 when the applicant was represented by Mr Harris of Gill Jennings & Every, and the opponent by Mr Miller, Queens Counsel instructed by Castles.

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OPPONENT’S EVIDENCE

This takes the form of three statutory declarations. The first by Mr Finn Kolby-Larsen, dated 7 April 1997, the Marketing Director for the opponent in the UK, a position he has held since November 1985.

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Mr Kolby-Larsen states that the opponent introduced a reduced fat spread containing fish oil into the UK in August 1995. He claims that the fish oil gives positive benefits to consumers as it reduced existing blood fat levels. To indicate more clearly this benefit Mr Kolby-Larsen states that the opponent decided to use a heart-shaped container. At exhibit FL1 he provides an example of the container in which, he states, the opponent’s product has been sold in the UK since August 1995. This is heart shaped and has the word “PACT” in very large print with the words “between heart & mind” in smaller print underneath.

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Mr Kolby-Larsen states that the introduction of the product was marked with an advertising campaign which included 4,500 billboard posters (an example is provided at FL2). Advertisements were placed in newspapers and magazines such as *Family Circle*, *Prima*, *Hello*, *UK Living*, *Sainsbury’s magazine*, *Readers Digest*, *TV Times*, and *Woman & Home*. At exhibit FL3 examples of the advertisements are provided, these are the copy advertisements not actual copies of the resulting publication. In addition Mr Kolby-Larsen states that information was provided at the point of sale and a hotline number established. Examples of the literature are provided at exhibit FL4. The leaflets contain a number of heart shapes which have words printed within them. They have pictures of the actual product container and also feature the word PACT prominently. The leaflets make claims such as “Pact can help maintain a healthy heart” and “Pact the impact it could have on your heart”. There are a number of facts regarding coronary disease.

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Mr Kolby-Larsen claims that between September 1995 and October 1996 “in excess of £3M was spent on the promotion and advertising campaign undertaken in the UK.” He states that sales were made throughout the UK through supermarkets such as Safeway, Sainsbury’s, Tesco and Asda. He claims that the total value of sales in the heart-shaped container and the number of units sold in this form up to September 1996 were as follows:

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	Units Sold	Value of sales to MD
Aug. 1995 - Sept 1996	4,260,000	£1,400,000

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Mr Kolby-Larsen points out that the above sales figures are subject to an estimated 25% retail mark up. He also claims that because of this usage the opponent has accrued significant goodwill in the heart-shaped container used in the sale of low fat spread. He claims that use by the applicant of a heart-shaped container will lead to confusion and deception. He further asserts:

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“Unless the public are educated through extensive usage, the heart-shaped container is

merely likely to be perceived as an indication of a characteristic of the product and not as an indication of origin.”

He also claims:

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“KLP London Limited are a company within a wider group specialising in marketing and design consultancy. There is now produced and shown to me marked FL5 a copy of an investigation undertaken by Carratu International which makes reference to KLP London Limited and other companies within the group. At the date of application, it is submitted the predecessors in title to KLP London Limited had no intention themselves to use this sign in relation to the goods listed within the application as filed. Instead the evidence I have seen suggests their objective was to seek a client to whom this application could be assigned as part of a general sale of a marketing concept. In effect, I am advised that KLP Limited and now KLP London Limited are no more than attempting to traffic in the sign the subject of their application and that as such the application is open to objection under Section 3(6) and 32(3) of the UK Trade Marks Act.”

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“Inevitably when selecting a new form of packaging consideration is given as to how the appearance of the product will be perceived by the purchasing public. The heart-shaped container ultimately adopted by MD is it [sic] indicative of a characteristic of the goods, namely the fact that they are beneficial to the heart. In effect the shape adds substantial value to the goods.”

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Exhibit FL5 referred to above consists of a three-page report dated 20 September 1995. It provides basic information such as the address of the applicant and the name, address, registered directors, turnover and main activity of the parent company. They claim to have spoken to “a senior member of staff” (named as Danielle Burnstein) at the applicant’s London premises who they claim informed them that “... the company also provided a creative design service through its company, APEX DESIGN, which had a large creative team. Apex was able to design packaging etc. when clients wished to launch a new product and KLP would then present the designs to clients.”

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The second statutory declaration, dated 9 April 1997, is by Mark John Hickey a Trade Mark Attorney employed by Castle International. Mr Hickey provides at exhibit MJH1 examples of trade mark registrations in Classes 29,30 and 31 which incorporate heart-shaped devices. Mr Hickey claims that:

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“Such marks are clearly common place and this is indicative of the fact that heart shapes are widely used by manufacturers of foodstuffs to indicate products which specifically have benefits to the heart or can be consumed as part of a healthy diet. This appears to have been recognised by the Registrar in that there are a number of registrations on the UK Register against which specific disclaimers have been entered in relation to heart devices. There is now produced and shown to me marked MJH2 a selection of such marks.”

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At exhibit MJH2 are a selection of trade marks which incorporate heart shapes.

At exhibit MJH3 Mr Hickey provides a packet of sweeteners which on the packaging has a heart,

and two packets of cereal. One of which shows bran flakes pictured in a heart-shaped bowl, the other shows that the bran product is itself heart shaped.

5 At MJH4 Mr Hickey provides literature produced by the British Heart Foundation all of which have the logo, of a red cardiograph line which has a heart shape in it, printed on them.

10 Mr Hickey offers his opinion that when “the device of a heart is used in relation to foodstuffs it is generally recognised by consumers as indicating that the goods in question have benefits for the heart when consumed.”

15 The third statutory declaration, dated 6 May 1997, is by Mr Finn Kolby-Larsen who has previously provided a declaration. Mr Kolby-Larsen provides at exhibit FL1 copies of actual magazine advertisements. He claims that “these advertisements emphasise the health related benefits derived from consumption of MD’s spread. Reference is made in each to the UK Health Departments report recommending an increase in the consumption of OMEGA 3, a nutrient found in fish oil.” The magazine advertisements are all dated December 1995 and do refer to the report mentioned.

20 Mr Kolby-Larsen states:

25 “It was during the early stages of product development in about September 1994 that I personally conceived the idea of using a heart-shaped container as I took the view that this would project a message to consumers to the effect that there were health related benefits to be enjoyed from consumption.”

30 “The first prototype of the container was produced at the end of October 1994 and during the winter of 1994/95 tests to gauge likely market reaction to the sale of a yellow spread in a heart-shaped container were pursued. Thereafter MD concluded that consumers generally appreciate the inferred connection between the heart-shaped container and the healthy benefits associated with its content.”

35 Mr Kolby-Larsen states that the public have been educated to believe that use of a heart shape or a heart logo indicates that the product concerned has wider health implications. He instances the Family Heart Association as one such organisation who use a heart logo and at exhibit FL2 he provides copies of their literature. This shows the name of the association and a heart logo being used prominently.

40 Mr Kolby-Larsen states that sales of his company’s product in heart shaped containers has been continuous since its launch. He provides copies of invoices at exhibit FL3 which show invoices for the opponent’s PACT product in October 1995 and April 1997.

45 Mr Kolby-Larsen claims that he has undertaken enquiries in the trade and has found no use or intention of use of the mark in suit by the applicant. He claims that the applicant is trying to market the mark instead of the goods covered by the specification. He claims that support for this contention can be found in the form of the applicant’s abandoned UK trade mark application number 2001832, details of which he provides at exhibit FL4. This shows a heart shape mark for use in Class 20 advertised on 25th April 1997 as being abandoned.

APPLICANT'S EVIDENCE

5 This consists of three statutory declarations. The first, dated 5 August 1997, is by Charles Byrne
the Chairman of Ogam Limited. Mr Byrne states that his company owns rights in the manufacture
of a product which is made without hydrogenation (added hard fat). Known as "Superspread" it
was unique when introduced into the marketplace. He states:

10 "In 1993, I and my company's European Licensees Whole Earth Foods Ltd (a UK
company) approached KLP London Ltd (KLP) to assist in developing a marketing
strategy to launch our Superspread into the volume sector of the marketplace. My
company, KLP and Whole Earth Foods Ltd subsequently created an independent company
to launch and market the spread, for which the trade mark KIND HEART was coined, and
registered by my company in the UK."

15 "Simultaneously, Adrian Moore, the creative director of KLP designed and developed a
special heart-shaped pack for the product, the shape being chosen for its subtle allusion
to the healthier qualities of KIND HEART as compared to existing spreads. The product,
the pack and the trade mark were carefully researched in preparation for presentation to
20 venture capital companies or to a third party manufacturer. For such presentations we
commissioned Messrs KMPG Corporate Finance (KPMG) a UK business to represent our
interests. At the time (mid 1993) Superspread was being marketed in the "health foods"
sector by Whole Earth Foods Ltd and manufactured by Geest Prepared Foods Ltd."

25 "Although a great deal of expense and effort went into these arrangements we were
unable to launch in the volume sector of the yellow fats market and the launch is
temporarily on hold. There is however not the slightest doubt in my mind that KLP always
intended to take an active part in the marketing of the product and that they saw
themselves as partners in this development, sales and marketing project."

30 The second statutory declaration, dated 7 August 1997, is by Anthony James Axe. Mr Axe is a
trade mark attorney employed by Messrs William Powell & Associates, who represent the
applicants. Mr Axe makes no comment on the issue but simply files at exhibit AJA1 two
documents.

35 The first is a certified extract form the UK Designs Register dated 5 August 1997, in respect of
registration 2044540 for "container" in the name of MD Foods Amba. This shows that the
application was filed on 17 January 1995 and granted registration on 2 November 1995. It is for
a heart-shaped container.

40 The second document at this exhibit is a photocopy of the Certificate of Registration of Design
dated 27 July 1995, in respect of registration 2046475 for "A tub" in the name of KLP Ltd. This
shows the date of registration as 3 April 1995 with the date of a grant of certificate as 27 July
1995. It shows a heart-shaped container.

45 The third statutory declaration, dated 6 August 1997, is by Tony Maciocia the Group Finance
Director of KLP London Ltd. Mr Maciocia states that his company has "always had a bona fide

intention to use the mark”.

5 Mr Maciocia explains that in May 1993 his company was approached by Ogam Limited and briefed to redesign the packaging for the product “Superspread”. He states that the product was to be launched as “Kind Heart” in a heart-shaped pack and that in July 1994 an application for a trade mark was filed. At exhibit TM01 are a number of letters and documents which relate to the commissioning of market research on the product by Consumer Focus, the results of the research and estimates for the production of the heart-shaped packs. The results of the market research were provided in a report dated 8 August 1994. There are four quotes to produce the containers dated between September and November 1994.

10 Mr Maciocia provides, at exhibit TM02, documents showing the contracting of KPMG to arrange the venture capital. These show that KPMG was engaged in April 1994 to obtain the venture capital to launch the product as a superbrand.

15 Mr Maciocia explains that KLP filed application 2001832 for a trade mark consisting of a heart-shaped container for goods in Class 20 but decided to abandon the application as “it had been decided that we would not be selling packaging.”

20 Mr Maciocia states that in or about July 1995 they became aware of the opponent’s activities and wrote to them informing them of their Trade Mark and Design registrations. He also refutes many of the claims made in the opponent’s statements and offers his own version of events. He states that there have been negotiations with the opponent’s regarding selling the application, but he states that his company has refused the offers made by the opponent.

25 **OPPONENT’S EVIDENCE IN REPLY**

This consists of three statutory declarations. The first, dated 2 April 1998, is by Finn Kolby-Larsen who has made two declarations previously in this case

30 Mr Kolby-Larsen refutes the claim of the applicant that the opponent’s margarine product is not novel and innovative and goes into technical detail to highlight the differences between the two margarines.

35 Mr Kolby-Larsen states that he finds it suspicious that the application is in the name of KLP and not the joint venture company, Finchacre Ltd, as the joint venture company was, he claims, incorporated in June 1994 and the trade mark application filed on 19 December 1994.

40 The second statutory declaration, dated 6 May 1998, is by John Cooper the Trading Controller for MD Foods Plc a subsidiary of MD Foods Amba.

45 Mr Cooper states that as the Trading Controller he has responsibility for the control of all sales and promotional activity between his company and Asda. In December 1997 Mr Cooper states that he discussed his company’s product, PACT, with a buyer of Asda Stores. The response is provided at exhibit JC2. The Asda buyer, a Mr Armstrong, states:

“Since the launch of PACT I feel that the heart-shaped tub is now instantly recognisable

to the brand and feel any movement away from this tub would seriously cause confusion and consternation amongst my customers.”

“The heart shape tub is synonymous to the PACT brand and shouldn’t be changed.”

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Mr Cooper claims that from this “it is clear that Mr Armstrong considers that significant goodwill vests in the heart-shaped container as utilised for the sale of PACT yellow spread in the UK and that it is synonymous with the MD Foods group of companies.”

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The third statutory declaration, dated 6 May 1998, is by Mark John Hickey who has submitted a previous declaration in these proceedings. Mr Hickey exhibits, at MJH1, a letter from the Trading Standards Authorities for the London Borough of Croydon which he claims shows that they made the assumption that a product sold in a heart-shaped container will have properties which are beneficial to the heart. This he claims is supportive of the opponent’s assertion that a heart-shaped container is insufficiently distinctive for the grant of a registered monopoly in the absence of significant prior usage. In fact in reply to the question, “Would you expect a yellow spread sold in such a container to have any specific characteristics so as to satisfy the likely perceptions of consumers?” the letter from the trading authorities states:

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“It is difficult to give meaningful comment without having seen the packaging in question and without knowing the exact nature of the spread, but points I would consider are:

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1. Does the packaging imply that the contents has medicinal properties or is making health claims? If this is the case, the product may need a medicine’s licence.

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2. Whether the product has a lower cholesterol or fat content than the standard market product. In this case, the labelling and composition will have to comply with the Food Labelling regulations 1996 (SI 1196/1499) and the Spreadable Fats (Marketing Standard) regulations 1995 (SI 1995/3124) requirements for energy and cholesterol claims.

The information contained in this letter is, to the best of my knowledge and ability, correct. However, only the courts can interpret the law with any authority.”

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That concludes my review of the evidence. I now turn to the decision.

DECISION

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At the hearing the grounds of opposition under Section 5(4)(a), 3(6) and 32(3) were withdrawn.

I consider first the objection under Sections 1(1) and 3(1). Section 1(1) of the Act is in the following terms:

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“1 (1) In this Act a “trade mark” means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings”.

“A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.”

Section 3(1) of the Act is in the following terms:

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3 (1) The following shall not be registered -

(a) signs which do not satisfy the requirements of section 1(1),

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The opponent has offered no evidence as to why the mark cannot function as a trade mark. Other than their own view that members of the public would not view the 3D shape as a trade mark. I do not think that the 3D shape mark is such that I can say now that the applicant will never be able to educate the public to regard the words as a trade mark denoting only their goods or services. The opposition under Section 3(1)(a) therefore fails.

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I next consider the grounds of opposition under Section 3(1)(b) and (c). These read as:

3(1) (b) trade marks which are devoid of any distinctive character,

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(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 of services, or other characteristics of goods or services,

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Jacob J provided some guidance on the meaning of Section 3(1)(b). In *British Sugar Plc v James Robertson and Sons Limited (TREAT)* 1996 RPC 281, he said -

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“Next is “Treat” within Section 3(1)(b). What does *devoid of any distinctive character* mean? I think the phrase requires consideration of the mark on its own, assuming no use. Is it the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark? A meaningless word or a word inappropriate for the goods concerned (“North Pole” for bananas) can clearly do. But a common laudatory word such as “Treat” is, absent use and recognition as a trade mark, in itself (I hesitate to borrow the word *inherently* from the old Act but the idea is much the same) devoid of any distinctive character.”

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In the *Philips Electronics NV v Remington Consumer Products Ltd* 1998 RPC (the Phillips case), Jacob J. added to this in the following terms:

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“What I have said about word marks is true also of picture marks. They may be more or less descriptive. A picture of an article is equivalent to a description of it - both can convey information.”

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I also note the comments of Aldous L J in the Court of Appeal in the *Philips Electronics NV v Remington Consumer Products Limited* case 1999 (unreported) when he stated:

“ The more the trade mark describes the goods, whether it consists of a word or shape, the less likely it will be capable of distinguishing those goods from similar goods of another trader.”

5 Section 3(1)(c) excludes from registration “signs or indications which may serve, **in trade**, to designate” characteristics of the goods or services (emphasis added). If the mark is a sign which is likely to be used honestly, in trade, to describe characteristics of the goods or services at issue, the sign is excluded from registration by Section 3(1)(c).

10 The opponent contends that the mark, which is a heart-shaped container for a margarine type spread, will be seen as an attractive design by the public rather than a trade mark. At the hearing Mr Miller questioned whether the mark could be viewed as distinctive in the absence of any evidence of use of the mark. Mr Miller contended that the heart shape suggested that the product is of a type which is good to, or kind to, your heart.

15 In response, Mr Harris for the applicant, contended that the container was simply the initial visual clue to the products origin, whilst agreeing that the container did allude to some characteristic of the product.

20 In my view the 3D heart shape is clearly a reference to the alleged benefits of the product. The applicant acknowledges that the product name was to be called “Kind Heart”, which in addition to the shape of the container would be used as a marketing strategy to promote the healthy properties of the product. As shown by the opponent’s evidence heart shapes are used extensively in the foodstuff’s market as a means of promoting the message of low fat and / or low salt. The public is very conscious of the benefits of a healthy diet. Clearly the heart shape is not meaningless when applied to reduced fat content dairy products. I therefore see nothing inherently distinctive in the 3D shape, which I view it as descriptive. I do not believe that prima facie the public would regard the 3D shape applied for as denoting exclusively the goods of a particular trader.

30 I conclude that the applicant’s mark is excluded from registration by Sections 3(1)(b) & (c) of the Act and that the opposition under these sections succeed.

I next consider the ground of opposition under Section 3(2)(c) which reads:

35 3(2) A sign shall not be registered as a trade mark if it consists exclusively of -
(a)....
(b)..
(c) the shape which gives substantial value to the goods

40 In the Phillips case, Jacob J stated that:

“Good trade marks add value to goods - that is one of the things they are for. So one must not take this exclusion too literally. I think what is meant is an exclusion of shapes which exclusively add some sort of value (design or functional appearance or perhaps something else though I cannot think of anything) to the goods disregarding any value attributable to a trade mark (i.e. source identification) function. A question of degree is obviously involved. For instance the Rolls Royce grill adds value to a Rolls Royce. But it does so

primarily because it signifies Rolls Royce and not because of its inherent shape.”

In this case the 3D shape relates to the packaging into which the product (margarine etc.) are placed, and I have found that the 3D shape is descriptive of the product. However, whilst the public may be prepared to pay substantially more for a low fat “heart friendly” margarine, the “substantial value” of the margarine does not come from the shape of the container.

The opposition under Section 3(2)(c) fails.

I next consider the ground of opposition under Section 3(3) which is as follows:

“3 (3) A trade mark shall not be registered if it is -

(a) contrary to public policy or to accepted principles of morality, or

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”

The opponent has claimed that because of the descriptive nature of the mark in suit the public will be deceived if the applicant uses the mark in suit on products within its specification which are not healthy. Although I accept that the heart shape container sends the message that the products within are “healthy” in a very clear manner, “healthy” is too imprecise a term to found an objection under Section 3(3)(b). Therefore, the opposition under this section fails.

Finally I consider the opposition based upon section 3(4) which reads:

“3(4) A trade mark shall not be registered if or to the extent that its use is prohibited in the United Kingdom by any enactment or rule of law or by any provision of Community law.”

In the grounds of opposition the opponent particularised this ground in relation to the use of its own mark. However, in the evidence filed it is clear that the opponent’s use of their mark started in August 1995. The relevant date in this case is 19 December 1994. Therefore, the first use of the opponent’s mark is after the date of registration. The opposition under this Section fails.

The opposition having succeeded the opponent is entitled to a contribution towards its costs. I order the applicant to pay the opponent the sum of £1535.

Dated this 23 day of February 2000

George W Salthouse
For the Registrar
The Comptroller General