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In the matter of UK Trade Mark Registration 3070652 in the name of Birkenstock Sales GmbH (the Proprietor) in classes 10 and 25

and

Application for Invalidation No. 500943 by Eurogloria s.l. (the Applicant)

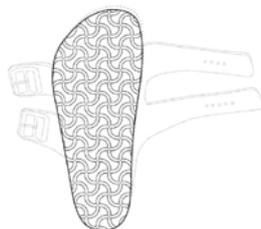
and

In the matter of an Appeal to the Appointed Person by the Proprietor against the Decision of the Hearing Officer O-505-16 for the Registrar, The Comptroller General dated 31 October 2016

DECISION

Procedural history and the Appeal in outline

1. Based on an application filed on 1 September 2014, the Proprietor secured the entry on the UK Register of trade marks on 5 December 2014 of the following trade mark (the Mark):



2. The registration includes the following description:

The mark consists of a pattern applied to the sole of footwear (especially sandals, clogs and slippers), as shown in the representation. The parts of the mark indicated in dotted lines do not form part of the mark and are included purely for illustrative purposes

3. The mark was registered in respect of the following goods:

In class 10: Orthopaedic footwear, including orthopaedic footwear for rehabilitation, foot physiotherapy, therapy and other medical purposes, and parts therefor, including orthopaedic shoes, including orthopaedic shoes with footbeds, wedges, pads, foam padding, foam pads; Orthopaedic footwear, in particular orthopaedic sandals and slippers.

In class 25: Footwear, including comfort footwear and footwear for work, leisure, health and sports, including sandals, gymnastic sandals, flip-flops, slippers, clogs,

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including with footbeds, in particular with anatomically moulded deep footbeds, foot supports; Footwear, namely, shoes and sandals; Boots, shoes and sandals; Slippers.

4. On 4 August 2015, the Applicant filed an application to invalidate the mark under s.47 of the Trade Marks Act 1994 (as amended), relying on grounds under ss.3(1)(b), 3(1)(c), 3(1)(d) and 3(2) of the Act.
5. After both sides had filed evidence, the invalidation application was the subject of a hearing on 26 July 2016. The Applicant did not attend the hearing or file any submissions. The Proprietor filed a skeleton argument and was represented by Mr Jonathan Moss of Counsel, instructed by Gill, Jennings & Every LLP.
6. In her Decision (O-505-16, dated 31 October 2016), the Hearing Officer held the Mark invalid pursuant to s.3(1)(b) and rejected the Proprietor's claim of acquired distinctiveness, but dismissed all the other grounds. She ordered the Proprietor to pay £600 to the Applicant in costs.
7. The Proprietor appeals. In essence, the Proprietor contends the Hearing Officer was wrong to find the Mark devoid of distinctive character, either inherent or acquired, contending that in so finding, the Hearing Officer made a series of errors, largely if not exclusively concerned with her approach to the evidence.

The Grounds of Appeal

8. The Grounds of Appeal appear to present three grounds of appeal. However, Ground 1 and Ground 3 are just headings under which a number of distinct errors are alleged. Under Ground 1, seven errors are alleged, each of the first six are said to be sufficient to render the decision unsound. Ground 2 alleges that if no individual error is substantial enough to render the decision unsound, the Hearing Officer came to a decision which no reasonable Hearing Officer could have come to based on the evidence. Ground 3 alleges the Hearing Officer was in error in failing to find acquired distinctiveness on the basis of 5 errors, one of which is either the same as or closely related to an alleged error under Ground 1.

Relevant parts of the Hearing Officer's Decision

9. Having set out relevant background, including a summary of the grounds of invalidation, the Hearing Officer then summarised, in the usual way, the evidence

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served by both sides. The Applicant's evidence was in the form of two witness statements (one in reply) from Francisco Mora Morti, CEO of the Applicant. In view of one of the Appellant's alleged errors, I note that in relation to certain of his exhibits the Hearing Officer indicated she would not take them into account:

- 9.1. she explained that his exhibits FMM01-FMM07 comprised copies of decisions taken at the UK IPO, EUIPO and in France which relate to a mark which he considered similar to the one in issue. The Hearing Officer said she would give them no further consideration, because they were decided on their own facts and evidence, and she had to decide the case before her on the pleadings, evidence and submissions;
 - 9.2. similarly, in relation to FMM17, a copy of a Spanish industrial model, which she said was not relevant.
10. The Appellant points to the Hearing Officer's treatment of Senor Morti's other exhibits, which she summarised over 4 pages of her decision (which included pictures), most of which were from Spain and in Spanish and the others from either Germany or Turkey. The Appellant points out that the Hearing Officer did not say she would ignore this evidence from outside the UK and says she was in error in taking it into consideration.
11. It is true that the Hearing Officer did not say she was going to ignore this other evidence. However, the only passage where she expressly referred to it was in §84, in relation to the s.3(1)(d) ground. She recorded (a) that all the evidence in FMM08-18 related to the trade in, for the most part, Spain but also Portugal, Italy, Germany and Turkey and (b) Senor Morti's contention in reply that the situation shown in his evidence in chief is analogous to the situation in the UK. However, the Hearing Officer rejected this ground on the basis that the Applicant had not proved that the mark was customary in the trade in the UK. That seems to me to be an entirely appropriate treatment of that evidence, in that context. Whether the Hearing Officer did or did not take it into account when dealing with the s.3(1)(b) ground is a point I will discuss below.
12. When she turned to consider the s.3(1)(b) ground, the Hearing Officer directed herself appropriately by reference to §§29-34, 37 & 45 of Case C-265/09 P *OHIM*

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v BORCO-Marken-Import Matthiesen GmbH & Co KG [2010] ECR I-8265, as quoted by Arnold J. in *Starbucks (HK) Limited, PCCW Media Limited, UK Broadband Limited v British Sky Broadcasting Group plc, British Sky Broadcasting Limited, Sky IP International Limited* [2012] EWHC 3074.

13. She also cited §§36-38 from Case C-144/06P *Henkel KGaA v OHIM*. Since the Appellant contends she misapplied *Henkel*, I set out those paragraphs:

“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).”

14. In order to assess the errors alleged by the Appellant against the reasoning of the Hearing Officer, it is necessary to have regard to nearly every part of it. Accordingly, I set out her reasoning below:

57. The applicant’s pleading under 3(1)(b) is that the proprietor’s mark is

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clearly the textured sole of an item of footwear which has been registered for items of footwear or parts of footwear. It concludes, “the Registration therefore essentially covers a mark that is the sole of footwear for footwear...The Mark will not be seen as a trade mark; it is devoid of any distinctive character and is simply a common place adornment to the sole of footwear.”

58. *In its skeleton argument, the proprietor states that the ‘sole device’ is capable of acting as a badge of origin:*

“12...The Sole Device, whether it is viewed as a 2D device or as a 3D shape is clearly a distinctive pattern. The Register is full of simple shape marks which can act as a badge of origin. The Sole Device is no different save that it is not even a simple shape – as in reality the repeating pattern increases the complexity.

13. The Sole Device is meant to be located on the sole of the shoe, but as nearly every shoe purchase will involve holding the shoes in the average consumer’s hands it is hard to see how the distinctive sole would not be noticed...”

59. *At exhibits AW2 and AW3 of its evidence the proprietor provides details of a number of trade marks which currently have effect in the UK. The majority are EU trade marks which relate, in some way, to soles of shoes for footwear. The proprietor concludes from this that:*

“...consumers are accustomed to regarding patterns as applied to footwear as distinctive guarantors of trade origin.”

60. *It has long been established that ‘state of the register’ evidence of this type is unlikely to assist the proprietor’s case. [fn: See, for example, Henkel KGaA v Deutsches Patent- und Markenamt, Case C-218/01 and Zero Industry Srl v OHIM, Case T-400/06.] There is no indication of how many of these marks are actually in use, nor how they are being used, or are being perceived by the average consumer. I will say no more about these exhibits.*

61. *The proprietor’s own evidence indicates that the mark which is the subject of this registration is not a 2D printed pattern applied to the sole of a shoe, but is the textured pattern of the sole of a shoe, which has grooves or indentations in the surface. In other words, the registered mark is a figurative mark which consists of a two dimensional representation of a three dimensional mark.*

62. *It is clear from decisions such as that in Henkel, which I have recorded above, that a mark of this type which is essentially part of the goods, with no additional graphic or word element, should depart significantly from the norms and customs of the trade in order to fulfil its essential function of indicating origin. This is particularly so as there is no evidence to show that the relevant*

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public, whether a member of the general public or a medical professional (which may be the case with regard to the goods in class 10), selects shoes from a particular trade source on the basis of the pattern on the sole or even that, in this context, they would pay any attention to the sole. They would be unlikely to notice or give any origin significance to this mark which would simply be seen as a textured sole used on an item of footwear.

63. It is clear from the totality of evidence filed by both sides and my own experience, that it is common to find a wide range of geometric and linear patterns on the soles of shoes. In my view, the 'sole device' at issue here does not depart significantly from other patterns, shapes and linear designs which are routinely used for these goods. The mark is therefore indistinguishable from the goods themselves and in the absence of any additional graphic or word element, there is no part of this mark which provides the consumer with an origin message. I find that the mark is not distinctive.

The Appeal in more detail

15. The Appeal naturally divides into two parts:

15.1. Grounds 1 and 2 (and the individual errors raised thereunder) are directed to the Hearing Officer's finding that the Mark was registered in breach of section 3(1)(b) of the Act;

15.2. Ground 3 is directed to the Hearing Officer's finding, under the proviso to section 3(1), that the Mark had no acquired distinctive character.

16. Since it appeared from the Proprietor's evidence that the claim to this Mark possessing distinctive character was based on many years trading (going back to 1980 in the UK) featuring this pattern on the sole of Birkenstock sandals before the date of application of 1 September 2014, at the hearing I raised with Mr Moss the issue of the correct approach to the section 3(1)(b) ground: specifically, should the effects of the use prior to the date of application be taken into account in the section 3(1)(b) assessment? (see the discussion on this point in Kerly (16th edition) at §§10-080 to 10-081). I understood Mr Moss to agree with the approach suggested in Kerly, that if a sign has been used in relation to the goods or services applied for, that use should be assessed in the context of a claim of acquired distinctiveness. That is the approach I understood the Hearing Officer to have taken, and is the approach I will take on this Appeal.

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17. The first error alleged by the Appellant was to the effect that (a) the Hearing Officer had failed to recognise that the burden was on the Applicant and (b) the Applicant had failed to adduce any evidence which went to the issues. The implication was that the application could and should have been dismissed without more.
18. There is nothing in this criticism. In its pleading (as summarised in §57 of the Decision – see above), the Applicant established a *prima facie* case that the Mark was devoid of distinctive character by pointing to the Mark and identifying it as essentially a 2D image of the appearance of the sole of footwear, for footwear. In the light of the clear jurisprudence of the CJEU (*Henkel* in particular), the Applicant did not need to do anything more.
19. I will take the second and third alleged errors together, since they both concern the Hearing Officer’s allegedly inappropriate use of evidence. The second error alleged was that the Hearing Officer relied on exhibits FMM8-15 which were all matters outside the jurisdiction. The third error was that she relied on her own personal knowledge of the shoe industry (see §63).
20. I explained above that the Hearing Officer expressly discussed exhibits FMM08-18 when dealing with the section 3(1)(d) ground. Although the Hearing Officer referred to the ‘totality of the evidence’ in her §63, I do not consider that this necessarily can or should be read as a reference to exhibits FMM8-15, since there was plenty of support in the other evidence filed (as the Hearing Officer said, by both sides) for the general proposition ‘*that it is common to find a wide range of geometric and linear patterns on the soles of shoes.*’ Even if the Hearing Officer is to be taken as relying, in §63, on FMM8-15, her general proposition is, in any event, plainly correct. For completeness, I note that when giving her decision on costs at her §101, the Hearing Officer stated ‘*The vast majority of the applicant’s evidence was from outside the jurisdiction and it was of limited value in assisting me in reaching a decision in this matter.*’ Although not determinative, this rather suggests the Hearing Officer did not commit the error of relying on FMM8-15 when considering the s.3(1)(b) ground. As for the third alleged error, Hearing Officers are also members of the public and, particularly in relation to ordinary consumer goods, they are entitled to rely on their own life experience provided that they do not allow their own particular experiences to supplant the viewpoint of the average

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consumer. However, the fact that her general proposition was plainly correct also confirms there is nothing in either of these alleged errors.

21. In its fourth alleged error, the Appellant asserts the Hearing Officer was wrong to reject its 'state of the register' evidence. I can only disagree. On the contrary, had the Hearing Officer placed any weight on this 'state of the register' evidence, it is highly likely that she would have then committed a material error. She was bound to reject it. Furthermore, and contrary to the Appellant's assertion, its evidence that certain other entities had managed to obtain registrations showing patterns on the soles of footwear says nothing about how consumers view such patterns, let alone the Mark in issue.
22. The fifth alleged error concerned the Hearing Officer's alleged failure to take account of or be persuaded by a blog discussion in AW9 about counterfeit Birkenstock sandals, where what was being pointed out was that you could spot the counterfeit because the repeating pattern was wrongly aligned. At its very highest, this offered some (very slender) support for the notion that some people recognise the pattern shown in the Mark, but, as a piece of evidence, it is not compelling and certainly not in any way determinative. I could not detect any error committed by the Hearing Officer in this connection, let alone a material error.
23. The alleged sixth error would be material, if substantiated. The Appellant asserts the Hearing Officer misapplied *Henkel*. The reasoning is difficult to follow, but I think the Appellant takes three points:
 - 23.1. The first is that *Henkel* concerns how consumers regard the shape of goods, but this Mark is different because there can be myriad different designs of pattern on the soles of footwear.
 - 23.2. Second, this is said to result in the Mark being clearly capable of acting as a badge of origin as the average consumer is used to looking at the soles of shoes and knowing that they could see any number of patterns.
 - 23.3. Third, the Appellant asserts that her finding in relation to *Henkel* was based on the 'norms and customs of the trade' which were not established by the Applicant.

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24. The Appellant's reasoning and criticisms appear to me to be completely circular and of no merit whatsoever. The mere fact that the consumer sees many patterns in use on the soles of footwear does not mean that all or any of them are acting as a badge of origin at all. In fact, they are just different patterns. The Hearing Officer applied the guidance in *Henkel* entirely appropriately. This is a situation where the Hearing Officer was entirely justified in finding that average consumers are not in the habit of making assumptions about the origin of products on the basis of their shape or the appearance of a part of the product (in this case, the sole).
25. The seventh and final error alleged under Ground 1 was that the Hearing Officer erred by treating all the different classes of goods in the same way, without any analysis to differentiate them. However, just before turning to the section 3(1)(b) ground, the Hearing Officer considered the identity of the relevant public – for the class 25 goods, she correctly found it was the general public. For the class 10 goods, she said it would also include members of the medical profession such as podiatrists and physiotherapists. It can be seen (see her §62 above) that the Hearing Officer plainly had the variety of footwear well in mind when considering the section 3(1)(b) ground, whether they were sandals, clogs, orthopaedic shoes or sports shoes. Furthermore, there was nothing in the evidence to suggest that the relevant average consumers viewed the soles of these different types of footwear differently. Once again, there is nothing in this criticism.
26. Standing back and viewing all of these seven errors in the round leads me to Ground 2, which is that the Hearing Officer came to a decision which no ordinary (by which the Appellant meant 'reasonable') Hearing Officer could have come to. In common with most if not all of the alleged errors I have analysed so far, this Ground is completely overstated. It is also completely wrong. In my view, the Hearing Officer's finding that this Mark, considered absent use, was devoid of distinctive character was entirely correct.

Ground 3 – Alleged failure to find acquired distinctiveness

27. Under the heading 'Acquired Distinctiveness', the Hearing Officer stated her findings on the evidence as follows:

65. The evidence shows that sales of shoes in the UK between 2003 and 2014

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were €86,667,997 which amounted to 6,165,887 pairs of shoes for the same period. The proprietor states that 90% of these shoes 'incorporate the present trade mark.'

66. The evidence also includes large numbers of press articles from a wide range of sources including newspapers and magazines, inter alia, *The Guardian* and *Vogue*.

67. What the evidence does show is a high volume of sales and considerable awareness in the press and media of the Birkenstock brand. It also shows a number of product photographs from a range of traders which include a photograph showing the sole of the proprietor's shoes. What it does not show is a single example of the proprietor's goods being sold by reference to the sole mark which is the subject of these proceedings. The only evidence which shows an image of a sole which is similar to that which is at issue here (and is used in promotional material) is shown on page 2 of a 1997 Birkenstock catalogue⁴ and that appears to be nothing more than a decorative background.

68. The only specific reference to the nature of the soles of shoes being advertised as a desirable feature is made in respect of a 'super grip' sole, which is not the sole which is the subject of these proceedings.

69. The fact that online shoe traders show several views of a product, sometimes including a picture of the sole, does not mean, without evidence to the contrary, that the sole is being used in a trade mark sense. In my experience, it is simply the case that when buying such goods at a distance, without actually being able to hold them, it is fairly common practice to show as many views of the product as possible, to enable the consumer to have as much information about those goods as possible before making the purchase.

70. The evidence filed by the proprietor does nothing to advance its case that the 'sole device' had acquired the necessary distinctiveness to overcome its inherent position of lacking the necessary distinctiveness to function as a trade mark and the position is no different if considered at the date of application for invalidation.

28. Under Ground 3, no less than 5 errors are asserted.

29. The most specific alleged error is the second and it concerns the extract from the blog about counterfeit Birkenstock sandals in AW9. The Hearing Officer is accused of ignoring the evidence in AW9 that counterfeiters regarded the inclusion of the sole device as necessary to indicate that the goods originated from the Registered Proprietor. In my view, this evidence does not establish this proposition.

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Counterfeiters attempt to reproduce the genuine goods. The three images posted by 'Emma73' in AW9 showed, first, side views of fake and real sandals showing the appearance of the wording BIRKENSTOCK on the side of the leather upper, second, the wrongly aligned sole pattern on the counterfeits and third, the correct alignment on the soles of a pair of genuine Birkenstock sandals. These images tell one nothing about whether the sole pattern is or is not regarded as a badge of origin, whether by counterfeiters or the general public.

30. The first alleged error is that the Hearing Officer ignored the large volume of evidence that showed the goods were sold with some reference to the sole pattern on the soles being visible. As explained to me, this 'evidence' concerned the common practice when shoes are sold on the internet of showing images of the shoes from a variety of angles, including the soles, which the Hearing Officer discussed in §69. I cannot fault her reasoning. This practice does not establish that the patterns on the soles of footwear are therefore routinely understood to indicate origin, let alone that this Mark is now taken to indicate origin. There is nothing in this criticism.
31. The third alleged error was that the Hearing Officer applied the wrong test for acquired distinctiveness because she required the Proprietor to show sales by reference to the sole device. It is asserted that the sole device is a sub-brand, and based on the Hearing Officer's conclusion, no sub-brand could ever have acquired distinctiveness when sold in conjunction with a main brand. Here, the 'main brand' is the word mark Birkenstock. It is a common and well-recognised problem that it is difficult to show that part of the appearance of the goods conveys an origin message when the 'main brand' conventionally conveys a very clear origin message. However, one way to show that a sub-brand does convey an origin message is to show that the proprietor has the confidence to rely on the sub-brand to convey an origin message in its marketing. In other words, a possible approach is to ask: does the proprietor trust the sub-brand to convey an origin message and is this apparent in the proprietor's marketing?
32. Before turning to the evidence, I mention also the fourth alleged error under Ground 3, because it is very closely related. The Appellant alleges that *'the showing of the*

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sole of a shoe in marketing must strongly indicate its use as a badge of origin in light of the fact that in use it will not be viewed.'

33. In this regard, I drew Mr Moss's attention at the hearing to parts of exhibit AW5. It included a report from a UK PR agency showing the press coverage secured for the Proprietor from January 2015-October 2015 in mainstream UK media. The report included images of the media coverage over some 60 pages, often with 2 images per page. I could not find a single image showing the sole pattern. Immediately before this report in AW5 was a copy of a short UK brochure issued by the Proprietor dating from 1997/8. On the inside page there is a large image of the sole pattern in the background (this is the image to which the Hearing Officer referred in her §67), but this was about the only reasonably prominent image of the sole pattern in the whole of the exhibit, which also included some images of the Birkenstock UK website taken from the Wayback machine and images of press cuttings. There are some images of the sole in the website extracts, but you have to look hard to find them.
34. AW6 is another long exhibit containing images of 56 press articles, mostly in well-known UK style magazines, featuring Birkenstock sandals. As far as I could detect, none of the images showed the sole pattern. All of the Birkenstock sandals were featured in photographs taken from the top or the side.
35. Leaving aside the 'state of the register' exhibits AW2 and AW3, all of Mr Wichmann's exhibits established the popularity and fashionability of various styles of Birkenstock sandals in the UK, and the success of its marketing efforts. What was striking to me was the effective absence of evidence showing marketing designed to educate the public that the sole pattern was a badge of origin or as demonstrating that the Proprietor trusted the sole pattern to convey such a message.
36. In these circumstances, the Appellant's third and fourth alleged errors have no substance. In any event, the allegations were significantly overstated. The Hearing Officer did not, to my mind, *require* evidence of sales being made by reference to the sole device. What she was indicating in §67 is that such sales would have supported a finding of acquired distinctiveness, and noting the absence of any such indication. However, it is clear she committed no error in this part of her decision.

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37. None of these considerations are determinative. However, viewing the Proprietor's evidence as a whole, it is not sufficient, to my mind, to justify a finding that relevant average consumers would *associate* this sole pattern with Birkenstock or *recognise* it as a Birkenstock pattern, let alone perceive it as conveying an origin message.
38. I raised another point with Mr Moss at the hearing. It concerned Señor Mortí's evidence (backed up by documentary exhibits) that this sole pattern is known in the shoe trade (at least in Spain) as the Diabolo or Diavolo pattern. I mentioned that it was surprising that Herr Wichmann did not respond to this at all in his evidence, by saying, for example: yes, and it is a pattern originated by Birkenstock and, counterfeiters apart, supplied only to Birkenstock. I should make it clear I have placed no reliance on this point. I mention it only by way of contrast between the actual evidence and what one might envisage as part of a body of evidence which might support a finding of acquired distinctiveness.
39. Certainly in the UK, it has long been recognised that mere *association* of a sign with a particular entity is not of itself enough to establish distinctiveness. For many years, the outstanding question has concerned what more is required, beyond association. After numerous invitations to do so, the CJEU finally addressed this question in the reference made by Arnold J. in *Société des Produits Nestlé S.A. v Cadbury UK Ltd*, Case C-215/14, EU:C:2015:604. As discussed in Kerly (16th edition) at 10-031, the answer from the CJEU was not entirely clear. However, on further appeal to the Court of Appeal ([2017] EWCA Civ 358), Floyd LJ stated at [102]:

'The test for whether a mark which has no inherent distinctiveness has nevertheless acquired a distinctive character must now be regarded as settled. It is that a significant proportion of the relevant class of consumers perceive goods designated by the mark applied for as originating from a particular undertaking. It is a requirement of Article 3(3) of the Directive that there has been use of the mark applied for before the date of application. But there is no requirement that the use should be of the mark on its own: the use may be in conjunction with another mark or marks.'

40. To the same effect, Kitchin LJ said at [52]:

'The applicant must prove that, as a result of the use he has made of the mark, a significant proportion of the relevant class of persons perceive the goods

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designated by that mark, as opposed to any other mark which might also be present, as originating from a particular undertaking. Put another way, the mark must have come to identify the relevant goods as originating from a particular undertaking and so to distinguish those goods from those of other undertakings.'

41. A further part of the outstanding issue was whether it was necessary to prove that consumers have in fact placed *reliance* on the mark in selecting or purchasing the goods. The CJEU did not use the term 'reliance' in its guidance, but Kitchin LJ explained that the required perception was not separate from reliance, in this passage at [82]:

'Perception by consumers that goods or services designated by the mark originate from a particular undertaking means they can rely upon the mark in making or confirming their transactional decisions. In this context, reliance is a behavioural consequence of perception.'

42. So this aspect of the law must be considered settled. I recognise that it can be difficult and expensive to produce evidence which is sufficient to meet the required standard, particular when one is dealing with an unconventional sign like this Mark. Mr Moss's response to my observations on AW5 was to suggest that the Proprietor may not have produced the best evidence to the UK IPO in view of the limited costs regime.

43. This leads me to the fifth error alleged under Ground 3. Here the Appellant suggests that the *'Hearing Officer has, in effect, found that a qualitative survey is the only way to prove acquired distinctiveness, but in light of the Court of Appeal's decision in Interflora such evidence is discouraged.'*

44. It will be apparent from what I have quoted and said above that (a) the Hearing Officer made no such finding, nor is it possible to infer such a finding from her Decision and (b) the first part of the complaint is, in any event, not true. There are various ways to persuade a tribunal that the relevant public have been educated to perceive even an unconventional sign as a badge of origin, without going to the expense of a qualitative survey (with all the attendant difficulties of (a) constructing a survey that will produce worthwhile results and (b) interpreting the results). As I have indicated above, one can start with evidence to show that the proprietor of the mark has itself conducted such a program of education in its marketing for a suitable

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length of time. In many ways, such evidence can be much more convincing than a survey, but it requires investment in the right sort of marketing over a suitable length of time.

45. In my view, the Hearing Officer's analysis of the evidence relating to the claim of acquired distinctiveness was succinct, detailed, careful and correct. Based on the evidence before her, in my view, the Hearing Officer could only have concluded that the Proprietor had failed to prove this Mark had acquired distinctive character through the use made of it. It may be, as Mr Moss hinted, that the Proprietor could have produced better evidence, but if it can do so, it must do so in the context of a fresh application.
46. Finally, I observe that my conclusions on the two parts of the Appeal mean that whether I took the approach I mentioned in paragraph 16 above or some other approach, the outcome would have been the same.
47. In these circumstances, I dismiss this Appeal.

Costs

48. In §102 of her Decision, the Hearing Officer ordered the Proprietor to pay to the Applicant the sum of £600 in costs, within seven days of the expiry of the appeal period or within seven days if the appeal is unsuccessful. Since the Appeal has been unsuccessful, her Order requires payment of the sum of £600 within 7 days of the date of my Decision.
49. As to costs of this Appeal, since the Appeal has failed, there is no question of the Appellant being awarded any costs. Ordinarily, if the Respondent to this Appeal (i.e. the Applicant) had played an active role in the Appeal, I might have had some information on which to gauge the level of its costs and to make an award of costs in his favour. So far as I am aware, no communication in writing has been received from either the Applicant or its representatives (Boult Wade Tennant) since a letter dated 29 June 2016 in which the UK IPO was informed that the Applicant would not be represented at the hearing before the Hearing Officer. Since I have no reason to believe that the Applicant has incurred any significant costs in connection with this Appeal, I dismiss the Appeal with no order as to costs.

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JAMES MELLOR QC

The Appointed Person

31st January 2018