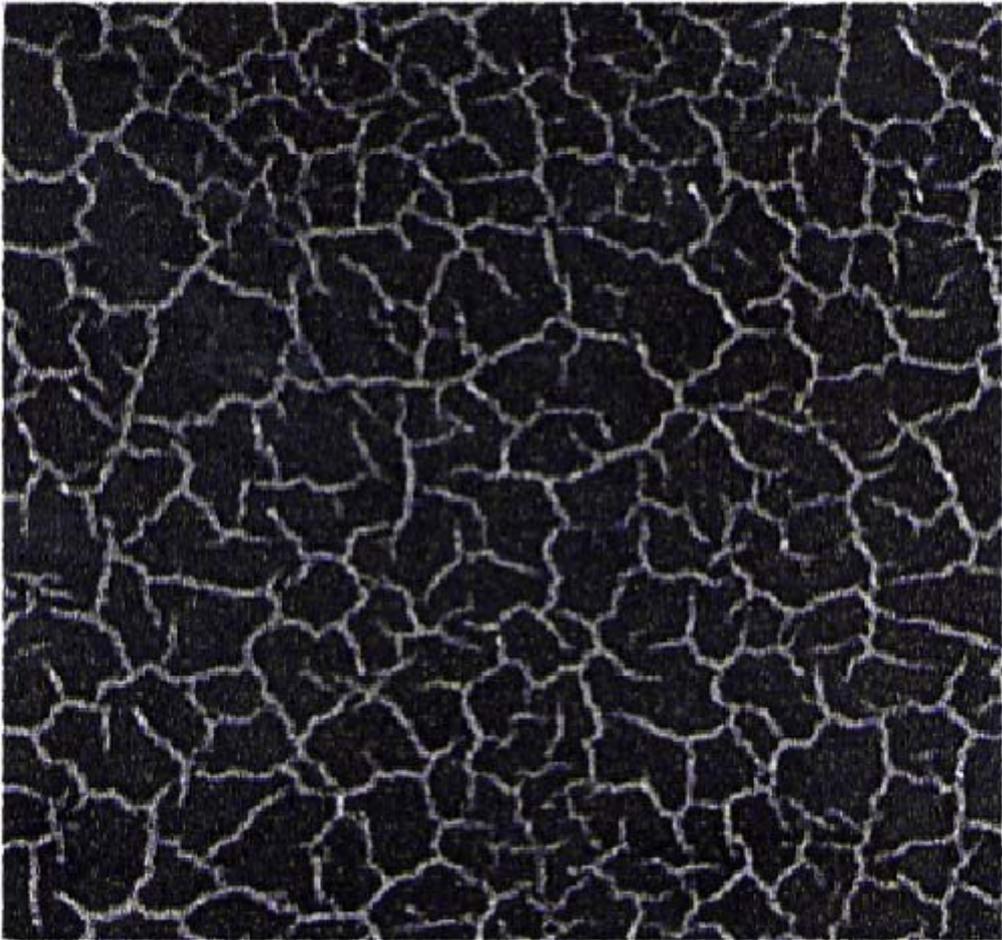


IN THE MATTER OF APPLICATION NO. 2390030 IN THE NAME OF VIBE
TECHNOLOGIES LIMITED

DECISION

The application

1. On 21 April 2005 Vibe Technologies Ltd applied to register the sign shown below, limited to the colours black and grey, as a trade mark in respect of “A surface finish applied to loudspeaker enclosures” in Class 9:



2. Prior to examination, the Registry raised an objection to the application under section 32(2)(c) and (d) of the Trade Marks Act 1994 on the basis that neither the sign nor the goods were clearly specified. This was resolved by the applicant's trade mark attorneys agreeing by telephone that the Form TM3 should be amended to describe the sign as a repeating pattern and to specify the goods as "loudspeaker enclosures". As result, the application was accorded a filing date of 7 June 2005.

The examination report

3. On 13 June 2005 the examiner, Karen Stephens, issued an examination report on the application in the following terms:

Absolute Grounds for Refusal (Section 3)

The application is not acceptable as there is an objection under Section 3(1)(b) of the Act as the mark consists (essentially) of a non-distinctive repeating pattern, being a sign which would not be seen as a trade mark as it is devoid of distinctive character because patterns such as this are commonly applied to the surface of goods such as loudspeaker enclosures.

The examiner gave the applicant until 13 September 2005 to respond, failing which the application would be refused.

Subsequent communications

4. On 15 September 2005 the applicant sought a one month extension of time for responding to the examination report on the ground that it was "preparing evidence of distinctiveness in support of its application; most of the evidence has been prepared and this is being finalised for filing". It appears that the extension was granted.
5. On 12 October 2005 the applicant's attorneys wrote to the Registry in response to the examination report. The letter enclosed evidence comprising Exhibits A-J. Exhibit A consisted of three "statements" by journalists working

in the in-car entertainment field. Each of these “statements” was in the form of a letter addressed “To the Trade Marks Examiner”. None of the “statements” included a statement of truth. Exhibit B was described as “a summary listing prepared from the Applicant’s records showing the sales value of all products bearing the trade mark since 2002”. Exhibits C-J consisted of originals or copies of various items of documentary evidence.

6. In the letter the applicant’s attorneys stated:

The Examiner will appreciate that Exhibits H-J are only samples of advertisements and/or publicity for the Applicant’s goods bearing the trade mark.

It is submitted that with these Exhibits the Examiner will appreciate that the trade mark has acquired a distinctive character as a result of the use made of it, and that this distinctive character had been acquired prior to the filing date of the application, as required by Section 3 of the Act. Notwithstanding that some of the evidence relates to activities after the filing date this evidence is included to demonstrate the Applicant’s ongoing activities with this trade mark.

The Examiner states in the Examination Report that patterns such as the trade mark are commonly applied to the surface of goods such as loudspeaker enclosures, but the Applicant does not accept that statement, and in view of the above evidence it is submitted that the Applicant is the only person applying this pattern to loudspeaker enclosures, and because of that use this pattern has become associated (solely) with the Applicant. If the Examiner is aware of other uses of this pattern she is requested to provide evidence of this.

7. On 16 November 2005 the examiner replied to the applicant’s attorneys stating that she was unable to consider the evidence included with the letter unless it was presented in the form of a witness statement. She gave the applicant until 16 January 2006 to file a witness statement.
8. On 19 December 2005 the applicant’s attorneys wrote to the examiner enclosing a witness statement made by Emma Jane Ward, the applicant’s Sales and Marketing Director, dated 13 December 2005. Ms Ward verified the factual content of the letter dated 12 October 2005 subject to one minor correction and provided certain further information.

9. On 23 January 2006 the examiner replied to the applicant's attorneys stating that, having considered all of the evidence filed, she was not persuaded that the trade mark had acquired distinctiveness. She reminded the applicant of its right to a hearing and stated that, if the applicant did not reply by 23 March 2006, the application would be refused.
10. On 14 February 2006 the applicant's attorneys wrote to the examiner making further submissions in support of the application. The letter enclosed "a copy of sample publicity materials provided by the Applicant". These consisted of two advertisements and one article published in certain magazines. The letter stated that these materials could be submitted in the form of a witness statement if required.
11. On 8 March 2006 the examiner replied to the applicant's attorneys stating that she still did not consider that the evidence provided was sufficient to demonstrate distinctiveness acquired through use and the objection was maintained. She concluded:

As it appears we are unable to reach a conclusion by correspondence, I suggest that you now request a Hearing on this application. If you do not do so by [8 May 2006], the application will be refused under the provisions of Section 37(4) of the Trade Marks Act 1994.

12. On 8 May 2006 the applicant requested an extension of time of two months on the grounds that "The Applicant has not yet provided instructions on how it wishes to proceed with this application". The examiner was (rightly in my opinion) unimpressed with this request, but granted the applicant an extension of 14 days.
13. On 25 May 2006 the applicant's attorneys requested a hearing (and a further one day extension for making the request on cogent grounds set out in the letter). The letter also stated that the applicant might wish to present survey evidence.

The hearing

14. The matter was heard by Lynda Adams on 22 November 2006. After the hearing the hearing officer prepared a report dated 28 November 2006. The report includes the following passages:

Section 3(1)(b)

Mr Gee submitted that the mark is prima facie distinctive. He stated that the examiner had not provided any evidence to support the objection that patterns similar to the mark in suit are commonly applied to the surfaces of loudspeaker enclosures.

I maintained the prima facie objection. Although the examiner had not provided any evidence to support the objection I did not consider that this results in the mark being distinctive. The focus of the objection is under Section 3(1)(b) and not 3(1)(d) - an objection under the latter would have required us to back the objection with evidence. I did however inform Mr Gee that I had carried out a search of the Internet myself, whilst preparing the case for hearing, and I had established that there appear to be traders other than the applicant who produce loudspeakers which have a crackle effect finish – that is sufficient to make goods the section 3(1)(b) objection.

Section 3(1)(b) – the proviso to Section 3(1)(b)

...

I informed Mr Gee that I had carefully read all of the evidence filed to support this application and I considered that it fell some way short of demonstrating the mark is factually distinctive. In summary I made the following observations:

...

Mr Gee informed me that a small scale survey had been conducted. Although I didn't have sight of it from what he told me I did not consider it couldn't [sic] be relied upon for a number of reasons. ...

Mr Gee may undertake another survey and formalize the evidence filed under his letter dated 14 February 06. I informed Mr Gee that I would consider any additional evidence that he wished to file but made it clear that from the evidence I had seen so far the task of demonstrating factual distinctiveness is my view going to be very difficult. I did not encourage the filing of additional evidence.

Team Action

Please suspend for 3 months. If nothing is heard from Mr Gee by end of that period please refused the application.

15. As the Registrar's representative acknowledged at the hearing before me, it is evident that, in deciding to give the applicant a yet further opportunity to file evidence in support of the application, the hearing officer overlooked the comments of Jacob LJ in *Bongrain SA's Trade Mark Application* [2004] EWCA Civ 1690, [2005] RPC 14 at [31]:

The applicants also sought to support the application on the grounds of Art.3.3 – that the shape was distinctive in fact. The Registry gave them an overgenerous series of opportunities to do so. The applicants successively put forward one scrap of evidence after another, submitting each time that it was enough, and, when told it was not, asking for more time to improve matters. The Registry is entitled to be firmer with this sort of thing; it should have regard to the public interest in disposing of applications one way or another. One must never forget that a pending application for an intellectual property right hangs over the public at large. A pending application, even if ultimately refused, may act as a real commercial deterrent while it 'pends'. It is not fair on the public to allow the applicant to string things out.

16. It is not obvious why an applicant should have more than one opportunity, or at most two opportunities, to file evidence of acquired distinctiveness in support of an application. By the time of the hearing the present application had been pending for over 18 months since the original application date and the applicant had already filed three rounds of evidence in support of it. In my judgment the course which the hearing officer should have adopted in the light of her conclusion that the evidence filed by the applicant did not demonstrate that the mark had acquired a distinctive character was to refuse the application.

Subsequent communications

17. On 27 February 2007 the applicant's attorneys wrote to the hearing officer making further submissions. In the letter the applicant's attorneys did not comment on the part of the hearing report concerning the inherent

distinctiveness of the mark, but argued that it had acquired a distinctive character. The letter included the following passage:

With my letter dated 14 February 2006 the Applicant provided copies of advertisements showing the use of the crackle effect finish and the Applicant's description of that finish as a trade mark. Those advertisements were stated to be samples only, and for completeness the Applicant submits herewith further evidence in this regard.

The letter went on to enclose evidence comprising Exhibits K-U. Exhibits K and L were copies of the documents enclosed with the letter dated 14 February 2006. Exhibits M-T consisted of copies of further items of documentary evidence. I note, however, that some of these exhibits were duplicates of those filed previously: thus Exhibit L is a duplicate of Exhibit H, Exhibit M is a duplicate of Exhibit J and Exhibit N is a copy of a page from Exhibit F. Exhibit U consisted of a letter with no addressee from Ms Ward on the notepaper of MidBass Distribution Ltd, which was stated to be the applicant's holding company. The attorneys' letter concluded with the following postscript:

P.S. At the hearing we discussed the possibility to submit survey evidence, and pointed out that the UK trade shows necessary to provide the survey evidence were held later in the year. Accordingly, it has not been possible to provide any survey evidence for submission herewith, but if it is believed that the attached evidence still does not satisfy the requirements for registrability of the mark, the Applicant requests further time to submit survey evidence following the suitable trade shows later in the year.

18. On 5 April 2007 the hearing officer replied to the applicant's attorneys stating that she had carefully considered the submissions made, the additional exhibits filed and the previous evidence. I find it surprising that she did not require the new evidence to be put into proper form, that is to say, a witness statement with exhibits. Be that as it may, her conclusion was the evidence did not demonstrate that consumers relied on the sign when making purchasing decisions. The letter concluded:

I note your 'PS' and I am happy to allow time for survey evidence or any other evidence that you feel will demonstrate that the end consumer relies upon the sign to guarantee the origin of it to be filed.

If you do not reply by [5 July 2007], the application will be refused under the provisions of Section 37(4) of the Trade Marks Act 1994.

19. I am unable to understand why the hearing officer, having (i) given the applicant a generous period of three months from date of the hearing report in which to file further evidence in support of the application and (ii) concluded that the further evidence filed at the end of that period still failed to demonstrate acquired distinctiveness, felt it appropriate to allow the applicant a yet further (fifth) opportunity to adduce evidence.
20. On 28 June 2007 the applicant's attorneys wrote to the hearing officer describing a survey that had been undertaken on behalf of the applicant and enclosing questionnaires completed by the respondents. In the same letter the applicant's attorneys restricted the specification of goods in the application to "loudspeaker enclosures for in-car entertainment systems".
21. On 6 July 2007 the hearing officer wrote to the applicant's attorneys to inform them, having considered the survey, she was still not persuaded that the mark was distinctive. Again I find it surprising that she did not require the new evidence to be put into proper form. This time the hearing officer finally refused the application.
22. On 23 July 2007 the applicant's attorneys filed a form TM5 requesting a statement of the grounds of the decision. On 10 September 2007 the hearing officer issued a written decision stating her grounds (O/260/07).

Section 3 of the Trade Marks Act 1994

23. Section 3 of the 1994 Act provides *inter alia* as follows:
 - (1) The following shall not be registered-

...

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

...

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

24. These provisions correspond to Article 3(1)(b) and (3) of Council Directive 89/104/EC of 21 December 1988 to approximate the laws of the Member States relating to trade marks.

The hearing officer's decision

25. The hearing officer first considered whether the mark applied for had any inherent distinctive character, then whether it had any acquired distinctive character.
26. So far as inherent distinctiveness was concerned, having cited Joined Cases C-53/01 to C-55/01 *Linde AG, Winward Industries Inc and Rado Uhren AG* [2003] ECR I-3161 at [30] and Case C-218/01 *Henkel KGaA v Deutsches Patent- und Markenamt* [2004] ECR I-1725 at [37], [39]-[41] and [47], the hearing officer assessed the mark as follows:
17. The mark put forward for registration is described on the application form as a repeating pattern and is limited to the colours black and grey. The applicant's attorney indicates that the pattern is intended to replicate a particular paint finish which is applied to the goods. The examiner considered that in the *prima facie* the mark is devoid of distinctive character because patterns are commonly applied to the surface of goods, such as loudspeaker enclosures, for merely decorative purposes.
18. An objection under Section 3(1)(b) of the Act may arise when a mark consists of a sign which appears to serve a merely decorative purpose in relation to the goods. This is the basis for the objection.

19. At the hearing Mr Gee disputed the examiner's objection and commented that no evidence to substantiate the objection had been provided by the Registry. I informed Mr Gee that since the focus of the objection is under Section 3(1)(b), and not 3(1)(d) of the Act, the examiner was not required to provide evidence to support the objection. However, as such evidence was easily accessible [via the Internet], I considered that it would have been prudent to provide it. In the event I informed Mr Gee that in preparation for the hearing I had put the words 'loudspeaker + finishes' into the Google search engine. This had retrieved a significant number of hits which clearly demonstrate that traders manufacture the goods in suit in a variety of colours and finishes for purely decorative purposes. Further, I informed Mr Gee that I had also Google searched the combination 'loudspeaker + crackle finish'; 'crackle paint finish' is the term used by Mr Gee in his correspondence, and in evidence, to describe the applicant's mark. This combination had also retrieved a significant number of hits which confirmed that the goods in suit are manufactured with this particular finish for decorative purposes by traders, other than the applicant.
20. With that in mind, and taking into account the guidance provided by the authorities above, I concluded at the hearing that the *prima facie* objection to the mark was strong; the Internet evidence reinforced the examiner's view that patterns such as that applied for are commonly used on the goods for decorative purposes and are therefore not capable of guaranteeing the origin of the goods to the average consumer - the average consumer in this case being the general loudspeaker buying public.
27. As to acquired distinctiveness, the hearing officer stated the law in the following terms:
24. The proviso to Section 3 of the Act permits acceptance of a mark that is otherwise unacceptable under the provisions of Section 3(1)(b) if it has in fact acquired a distinctive character because of the use made of it. Guidance on the test to be applied was provided by the ECJ in *Windsurfing Chiemsee (C108&109/97) [1999] ETMR 585* where it was stated:
- 'If the competent authority finds that a significant proportion of the relevant class of persons identify goods as originating from a particular undertaking because of the trade mark, it must hold the requirement for registering the mark to be satisfied.'
25. In that particular case the ECJ were considering whether a plain word used as a primary mark had acquired a distinctive character because of its use. However, as will become apparent when I move on to consider

the evidence, in this particular case the applicant's mark is not used as the sole badge of origin, nor is it used as the primary badge of origin.

26. In *Societe des produits Nestle SA v Mars UK Ltd*, (C-353/03), the ECJ determined that a mark may acquire a distinctive character as a result of it being used as part of, or in conjunction with, another mark. There is therefore no requirement for a nondistinctive mark to have been used alone before it can be registered on the basis of acquired distinctiveness. However, where such a mark is used alongside another distinctive sign the burden on the applicant to show that a non-distinctive mark has come to be seen as a secondary trade mark will be greater, as in *British Sugar Plc v James Robertson & Sons Ltd* [1997] E.T.M.R. 118 [1996] R.P.C 281 [1996].
27. The ECJ ruled in *Henkel KGaA v Deutsches Patent – und Markenamt* (C-218/01) that the perception of the average consumer is not necessarily the same in the case of a three-dimensional trade mark, consisting of the packaging of a product, as it is in the case of a word or figurative mark which consists of a sign that is independent from the appearance of the goods it denotes. Average consumers are not in the habit of making assumptions about the origin of goods based on the shape of their packaging, in the absence of any graphic or word element, and it could therefore prove more difficult to establish distinctive character in the case of such a three-dimensional trade mark than in the case of a word or figurative mark .
28. That must also be the case where there is evidence that various decorative finishes are used by traders in the relevant field for the products at issue without those finishes having trade mark character.
29. Further guidance on the test to be applied is provided by the ECJ in *Philips Electronics NV v Remington Consumer Products Ltd* (C-299/99) which, although in the context of a mark that was a particular shape of a kind of goods from only one known supplier, it was nevertheless found that the proviso could only be relied upon where reliable evidence shows that recognition of the mark as indicating the goods/services of one undertaking is as a result of ***its use as a trade mark*** [my emphasis]. The ECJ, in *Societe des produits Nestle SA v Mars UK Ltd*, at paragraph 29, indicated that this latter point means “use of the mark for the purposes of the identification, by the relevant class of persons, of the product or services as originating from a given undertaking.”
30. Having regard to the guidance provided above it seems to me that if the proviso is to be utilised the evidence must show that the mark in suit is taken by the average consumer as a guarantee that the goods sold under it originate from the applicant because of the use of the mark for that purpose.

28. The hearing officer proceeded firstly to consider the evidence of use filed by the applicant, then the trade evidence and finally the survey evidence. With regard to the evidence of use, hearing officer accepted that the applicant had demonstrated plenty of examples of use of the repeating pattern on loudspeaker enclosures, but noted that (i) the evidence showed that the applicant's goods were sold primarily by reference to the trade mark VIBE which was used prominently both on the goods themselves and in the applicant's advertising literature and (ii) the applicant promoted the repeating pattern as one of a number of surface finishes in which the goods were available. The hearing officer said that she was unable to conclude from the evidence that a significant proportion of the relevant class of persons identified goods as originating from the applicant because of the repeating pattern.

29. In relation to evidence that the applicant had referred to the pattern as "our trademark crackle effect paint finish" in its 2004 sales brochure, she said:

48. Although here the applicant has used the word 'trademark' to describe the finish, this of itself does not demonstrate that the average consumer has understood the message to mean that this is a sign of origin, rather than just an attractive finish. I consider the fact that in the same sentence the applicant also uses the word trademark in relation to their 'heavy cases' reduces the impact that the word 'trademark' will have in the minds of the average consumer.

She made similar comments in relation to other references to the finish being a trade mark.

30. As to the trade evidence, the hearing officer's assessment was as follows:

55. It is well established that trade evidence may assist where there is doubt from the primary evidence about whether the mark has been used to a sufficient extent in the marketplace so as to have acquired a distinctive character in the eyes of a significant proportion of the relevant class of consumers.

56. However, in this particular case, my concern is not about the extent of use – it plainly has been used by the applicant- but the nature of the use.

57. It is possible to conclude from the trade evidence that there is an association with Vibe and the finish, at least on the part of those who write about and review car audio systems. I also note that both Mr McNamee and Mr Scotcher state that readers of the publications would associate the mark with Vibe. However, these statements have not been expanded upon so I do not know the basis for those comments. It is established that the perceptions of the consumers and end users of the relevant goods are usually decisive [*Bjornekulla Fruktindustrier AB v Procordia Food AB (C-371/02)*]. In this particular case the average consumer of the goods at issue will be the car speaker buying public, I do not therefore consider that the views from the trade can be substituted for actual evidence that the average consumer of audio loudspeakers recognise and rely upon the sign to indicate trade origin.
58. In my letter dated 5 April 2007 I informed Mr Gee that the weakness in the case is that it is not clear from the evidence that the average consumer has understood the message that this is a sign of origin, rather than just an attractive finish provided by only one known or the best known undertaking. The trade evidence indicates that there is an association between the finish and the applicant, but this is not the same as evidence which demonstrates that they or consumers place reliance on that finish when making their purchasing selection.
31. So far as the survey is concerned, the hearing officer made a number of criticisms of this and concluded:
68. The survey can be described as informal at best, although it should not be dismissed on that basis alone. It was carried out two years after the relevant date and, whilst some delay is inescapable, there is nothing in the evidence to suggest that the views of the interviewees would have been the same two years previously; this is not without significance when considering a mark that only commenced being used three years prior to the filing date. As mentioned in paragraph 62 above, I am not certain that the results represent the views of the relevant consumer. Finally, without any follow up questions to test the reasons given for the answer to question 3, I find myself reaching the same conclusion that I reached when assessing the primary evidence. That is that there is an association between the mark and the applicant. The word ‘associates’ can have a number of meanings... ‘first come to mind’, ‘best known one’, ‘only one I can think of...but there may be more’. None of these meanings amount to recognition of the sign as a trade mark [*Dualit Ltd’s Trade Mark Application [1999] RPC 809*]. I note that this quotation has been endorsed by the learned editors of *Kerly’s Law of Trade Marks and Trade Names* [Fourteenth Edition] at 8-129.
69. Therefore, absent any positive proof that the mark is relied upon as an indication of origin, the survey results have failed to demonstrate that the mark applied for is factually distinctive.

32. The hearing officer expressed her overall conclusion as follows:

70. In this decision I have taken into account all the written submissions/evidence filed to support this application. I have concluded that the mark is excluded from *prima facie* registration under Section 3(1)(b) of the Act because it consists of a sign which serves a merely decorative purpose in relation to the goods. The evidence has failed to demonstrate that because of the applicant's use the mark is taken by the average consumer as a guarantee that the goods sold under it originate from the applicant because of the use of the mark for that purpose.

The notice of appeal

33. On 6 December 2007, having obtained an extension of time, the applicant filed a Form TM55 and Grounds of Appeal. The Grounds of Appeal contended that the hearing officer had erred in four respects. First, she had acted in breach of the rules of natural justice in having regard to the internet searches. Secondly, she had applied the wrong legal test for acquired distinctiveness. Thirdly, her decision was internally inconsistent with regard to the identification of the relevant average consumer. Fourthly, she had made a number of errors in her appraisal of the evidence filed by the applicant. The applicant therefore requested that the hearing officer's decision be reversed.

34. In view of what happened subsequently, it is necessary to note that the Grounds of Appeal did not include, or even foreshadow, any application to adduce further evidence in support of the application.

The applicant's skeleton argument

35. On 3 March 2008 the hearing of the appeal was fixed for 15 May 2008. Subsequently the hearing was moved to 21 May 2008 to suit the convenience of the applicant's counsel. On 18 May 2008 counsel for the applicant filed a skeleton argument in support of the appeal. This skeleton argument elaborated on the four grounds of appeal advanced in the Grounds of Appeal. Again, the skeleton argument did not include, or even foreshadow, any application to adduce further evidence in support of the application.

The hearing of the appeal

36. At the hearing of the appeal, the following developments occurred. First, counsel for the applicant applied for permission to adduce further evidence in support of the application in form of a witness statement of Ms Ward dated 20 May 2008. No prior warning of this application of any kind had been given by the applicant's representatives either to the Registry or to me. This is despite the facts that (i) counsel stated that he had appreciated the potential desirability of adducing further evidence when drafting the skeleton argument and (ii) the applicant's attorneys received a faxed copy of the signed witness statement at 17:42 on 20 May 2008. In the circumstances outlined above, I consider that the applicant's representatives should have (i) forewarned the Registry and me that an application to adduce further evidence would be made at the hearing as soon as the decision to do so had been taken, (ii) sent the Registry and me the unsigned statement as soon as the text had been finalised and (iii) sent the Registry and me the signed statement as soon as it was received.
37. Secondly, counsel for the applicant submitted that different principles should be applied to an application to adduce further evidence on appeal from a decision in *ex parte* proceedings to those laid down in *DU PONT Trade Mark* [2003] EWCA Civ 1368, [2004] FSR 15 with regard to appeals in *inter partes* proceedings. It was evident, however, that counsel had not fully considered or prepared either this submission or the submission recorded in the following paragraph. When I asked whether the applicant would like an adjournment in order to consider and prepare these aspects of the case more fully, I was informed that the applicant did not want an adjournment.
38. Thirdly, counsel for the applicant, despite having initially accepted that the appeal was a review of the hearing officer's decision in accordance with *Dyson Ltd's Trade Mark Application* [2003] EWHC 1062 (Ch), [2003] RPC 47, submitted that the appeal should be by way of re-hearing. When I questioned whether the applicant wished to challenge the correctness of *Dyson* and whether I should refer to the matter to the High Court under section 76(3)

of the 1994 Act, I was informed that the applicant did not want the matter to be referred to the High Court.

39. Fourthly, not surprisingly, there was a disagreement between the applicant and the Registrar as to the correct legal test to be applied in a case such as the present. Counsel for the applicant submitted that the law was now *acte clair*, but that was disputed by the Registrar's representative. When I asked the parties whether, if I concluded that the law was not *acte clair*, I should exercise my discretion to refer questions to the Court of Justice of the European Communities under Article 234 EC, I was informed that the applicant was opposed to a reference.

Review or rehearing?

40. In *Dyson* Patten J held at [14] that in the ordinary case an appeal from a hearing officer to the High Court in an *ex parte* matter should be limited to a review of the decision rather than a re-hearing, and that the approach to be applied to such a review was the same as that laid down with regard to *inter partes* cases in *REEF Trade Mark* [2002] EWCA Civ 763, [2003] RPC 5. Although counsel for the applicant suggested that *Dyson* might be wrong on the basis that it gave insufficient weight to the need to compensate for the absence of an independent tribunal at first instance so as to ensure compliance with Article 6 ECHR, he did not in the end directly challenge the correctness of the decision.
41. Since the appeal in *Dyson* was to the High Court, it was governed by CPR r. 52.11(1). Appeals to the Appointed Person are not governed by CPR r. 52.11(1), but it has been settled practice in this tribunal since *ROYAL ENFIELD Trade Marks* [2002] RPC 24 to apply r. 52.11(1) and the case law thereunder by analogy. Accordingly, an appeal to the Appointed Person in an *ex parte* matter should normally be limited to a review of the hearing officer's decision.

42. Patten J also held that the High Court had power under r. 52.11(1)(b) to hold a re-hearing and that that power “may be exercised in the rare cases when it is necessary in order to allow justice to be done”. I consider that the Appointed Person has the same power and should exercise it upon the same basis.
43. Counsel for the applicant submitted that I should exercise the power to re-hear the matter in the present case on the ground that the procedure which had been adopted at first instance was unfair to the applicant. In support of this submission he argued that each time that the examiner or the hearing officer had raised an objection, it had been addressed by the applicant and that, when the examiner or the hearing officer moved on to a new point, there was an understanding that the earlier point had been dealt with and that it was only the new point which needed to be addressed. Accordingly, he contended, the applicant had been taken by surprise to find that the hearing officer had relied in her decision on points which the applicant thought had been dealt with to the satisfaction of the examiner or the hearing officer as the case might be. As a result, the applicant wished to adduce further evidence to address those points.
44. I do not accept that this is an accurate characterisation of the procedure adopted in the Registry. The examiner clearly identified the ground of objection in the examination report. Thereafter the onus lay upon the applicant either to persuade the examiner, contrary to her initial view, that the mark had an inherent distinctive character or to demonstrate by satisfactory evidence that it had acquired a distinctive character. Although it did not concede that the mark lacked inherent distinctive character, the applicant’s response was to file evidence with a view to showing that it had acquired distinctive character. The consistent reaction of the examiner and the hearing officer each time a tranche of evidence was filed was that they were not persuaded that the evidence proved that the mark was distinctive. Other than with regard to the question of the presentation of the evidence, at no stage did they state or imply that the applicant had satisfactorily dealt with any particular points. They did not articulate to the applicant all of the criticisms of the applicant’s evidence which the hearing officer subsequently made in her decision, but they were not

under any obligation to do so. In my judgment the procedure was not unfair to the applicant. On the contrary, the examiner and hearing officer were overgenerous to the applicant in (i) allowing it multiple opportunities to file evidence and (ii) not requiring that all the evidence be presented in proper form.

45. Accordingly, I am not persuaded that this is an appropriate case in which to hold a re-hearing. It follows that the correct approach to the appeal is that articulated by Robert Walker LJ in *REEF* as follows:

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.

A decision does not contain an error of principle merely because it could have been better expressed.

The application to adduce further evidence

46. The principles to be applied on an application to adduce further evidence in support of an appeal to the High Court against a decision of the Registrar in an *inter partes* case were considered by the Court of Appeal in *DU PONT*. In summary, these are as follows: (i) the factors set out in *Ladd v Marshall* [1954] 1 WLR 1489 are basic to the exercise of the discretion; (ii) *Ladd v Marshall* is no longer a straightjacket, on the contrary the matter is to be looked at in the round to see that the overriding objective is furthered; and (iii) in the particular context of trade mark appeals, the additional factors set out in *Hunt-Wesson Inc's Trade Mark Application* [1996] RPC 1489 may be relevant. Again, it is settled practice that the same principles are applicable on an appeal to the Appointed Person in such a case.
47. Counsel for the applicant submitted that different principles should be applied to an application to adduce further evidence on appeal in an *ex parte* matter. Other than submitting that more latitude should be given to the appellant in such a case, he was not specific as to the principles which should be applied.

Instead, he concentrated his submissions on the argument that the applicant should be granted permission to adduce further evidence in the circumstances of the present case, that is to say, because the procedure adopted at first instance had been unfair to the applicant.

48. The issues of (i) whether an appeal is by way of review or re-hearing and (ii) the principles upon which further evidence should be admitted on appeal are closely related. If the appeal is limited to a review of the decision of the lower court, then it follows that fresh evidence should sparingly admitted. If the appeal is a re-hearing, then a more generous approach to the admission of fresh evidence is appropriate. Assuming that *Dyson* is correct that in the ordinary case an appeal from a hearing officer's decision in an *ex parte* case is limited to a review, and that the same approach is to be adopted to reviews of *ex parte* and *inter partes* decisions, I see no reason why the principles to be applied to an application to adduce further evidence on appeal in an *ex parte* case should differ from those applied in *inter partes* proceedings. On the contrary, in my judgment the principles should be the same.
49. The first *Ladd v Marshall* requirement is that the new evidence could not have been obtained with reasonable diligence for use at first instance. So far as this is concerned, it appears that most, if not all, of the information in Ms Ward's statement dated 20 May 2008 was known or available to the applicant prior to the date of its final submission to the hearing officer.
50. The second *Ladd v Marshall* requirement is that the new evidence would probably have an important influence on the result of the case. As to this, it does not appear to me that Ms Ward's statement would have an important influence on the result. What it does is answer a number of detailed queries and criticisms of the applicant's earlier evidence raised by the hearing officer in her decision. It does not include any significant new material to demonstrate that the mark had acquired a distinctive character by the relevant date.
51. The third requirement is that the new evidence is credible. I have no reason to doubt that this requirement is satisfied.

52. Turning to the additional factors identified in *Hunt-Wesson*, none of these are of particular relevance in the present case.
53. I have already considered and rejected the submission that the procedure adopted at first instance was unfair to the applicant.
54. Considering the application in the round, I do not consider that this is a proper case in which to exercise my discretion to admit the further evidence.

The internet searches

55. The applicant's first ground of appeal is that the hearing officer erred in taking into account the internet searches she had conducted since this material had not been provided to the applicant nor had the applicant been given the opportunity to comment on it. Counsel for the applicant submitted that this was a breach of the rules of natural justice.
56. I agree that a hearing officer should not reach a decision in reliance upon a ground of objection or evidence in relation to which the party adversely affected by the decision has not had a proper opportunity to make submissions: *XE Trade Mark* [2000] RPC 405 and cf. *Case T-317/05 Kustom Musical Amplification Inc v Office for Harmonisation in the Internal Market* [2007] ECR II-427. Accordingly, I agree with the applicant that the hearing officer was in error in relying upon internet searches at the hearing without first providing the applicant with copies of print-outs of the searches and then inviting submissions in relation to them. Nevertheless I do not consider that this error was material, for the following reasons.
57. First, in my judgment the applicant did have sufficient opportunity to make submissions in relation to the internet searches. At the hearing itself, the hearing officer told the applicant's attorney what she had found and gave him the chance to comment. As I understand it, he submitted that the searches were irrelevant since they post-dated the application. He did not ask for copies of the searches. Furthermore, even if that was not a sufficient opportunity, the

applicant had the opportunity to address the matter in the post-hearing correspondence. Although the hearing report recorded the hearing officer's reliance upon an internet search, the applicant's attorneys' letter dated 27 February 2007 neither requested a copy nor made any submissions in relation to it. Indeed, as noted above, the letter did not address the question of inherent distinctiveness at all, but instead argued that the mark had acquired a distinctive character.

58. Secondly, counsel for the applicant expressly confirmed to me that the applicant was no longer contending that the mark was inherently distinctive. Since the hearing officer only relied upon the internet searches in the part of her decision in which she considered inherent distinctiveness, it follows that the error did not apply to the part of her decision which is relevant to this appeal. Counsel argued that the reliance upon the internet searches had permeated the remainder of the decision, but I do not agree with this.
59. I would add that counsel for the applicant also attacked the relevance of the searches. For the second reason I have just given, however, I do not think it matters if (as I shall assume without deciding) the searches were not probative of a lack of inherent distinctive character. Furthermore, I consider that the examiner and the hearing officer were right, as the applicant now implicitly concedes, to conclude that the mark was inherently devoid of any distinctive character regardless of what the internet searches did or did not show.

Acquired distinctive character: the law

60. The applicant's second ground of appeal is that the hearing officer applied the wrong legal test when assessing whether the applicant's evidence demonstrated that the mark had acquired a distinctive character.
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: Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee Produktions- und Vertriebs GmbH v Boots- und Segelzubehör Walter Huber* [1999] ECR I-2779 at [46], Case C-299/99 *Koninklijke Philips Electronics NV v Remington Consumer Products Ltd* [2002] ECR I-5475 at [35], *Linde* (cited above) at [40], [47], Case C-218/01 *Henkel KGaA v Deutsches Patent- und Markenamt* [2004] ECR I-1725 at [48], Joined Cases C-456/01P and C-457/01P *Henkel KGaA v Office for Harmonisation in the Internal Market* [2004] ECR I-5089 at [34], Joined Cases C-468/01P to C-472/01P *Procter & Gamble Co v Office for Harmonisation in the Internal Market* [2004] ECR I-5141 at [32], Case C-136/02P *Mag Instrument Inc v Office for Harmonisation in the Internal Market* [2004] ECR I-9165 at [29] and Case 64/02P *Office for Harmonisation in the Internal Market v Erpo Möbelwerk GbmH* [2004] ECR I-10031 at [33].

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: *Philips v Remington* at [59], [63], *Linde* at [41], Case C-104/01 *Libertel Group BV v Benelux-Merkenbureau* [2003] ECR I-3793 at [62]-[63], *Henkel v Deutsches Patent- und Markenamt* at [50], Case C-363/99 *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* [2004] ECR I-1619 at [34], *Procter & Gamble v OHIM* at [33], *Henkel v OHIM* at [35], Case C-445/02P *Glaverbel v Office for Harmonisation in the Internal Market* [2004] ECR I-6267 at [20], Case C-404/02 *Nichols plc v Registrar of Trade Marks* [2004] ECR I-8499 at [23], Case C-353/03 *Société des Produits Nestlé SA v Mars UK Ltd* [2005] ECR I-6135 at [25], Case C-173/04P *Deutsche SiSi-Werke GmbH & Co. Betriebs KG v Office for Harmonisation in the Internal Market* [2006] ECR I-551 at [25] and C-24/05P *August Storck KG v Office for Harmonisation in the Internal Market (Storck I)* [2006] ECR I-5677 at [23].
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: *Linde* at [42], [48], *Libertel v Benelux-Merkenbureau* at [65], *Henkel v Deutsches Patent- und Markenamt* at [52], *Procter & Gamble v OHIM* at [36], *Henkel v OHIM* at [38], *Glaverbel v OHIM* at [21]-[23], *Nichols* at [24]-[28], *Mag v OHIM* at [30], *OHIM v Erpo Möbelwerk* at [34]-[35], Case C-447/02 *KWS Saat AG v Office for Harmonisation in the Internal Market* [2004] ECR I-10107 at [78], *Deutsche SiSi-Werke v OHIM* at [27]-[28] and *Storck I* at [24]-[25].

64. Fourthly, in assessing whether a trade mark has acquired a distinctive character the competent authority must make an overall assessment of the relevant evidence, which in addition to the nature of the mark may include (i) the market share held by goods bearing the mark, (ii) how intensive, geographically widespread and long-standing the use of the mark has been, (iii) the amount invested by the proprietor in promoting the mark, (iv) the proportion of the relevant class of persons who, because of the mark, identify the goods or services as emanating from the proprietor, (v) evidence from trade and professional associations and (vi) (where the competent authority has particular difficulty in assessing the distinctive character) an opinion poll. If the relevant class of persons, or at least a significant proportion of them, identifies goods or services as originating from a particular undertaking because of the trade mark, it has acquired a distinctive character: *Windsurfing Chiemsee v Huber* at [49]-[53], Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV* [1999] ECR I-1318 at [23], *Philips v Remington* at [60]-[62], *Libertel v Benelux-Merkenbureau* at [67], *Nestlé v Mars* at [31] and C-25/05P *August Storck KG v Office for Harmonisation in the Internal Market (Storck II)* [2006] ECR I-5719 at [75].

65. Fifthly, with regard to the acquisition of distinctive character through use, the identification by the relevant class of persons of the product or service as originating from a given undertaking must be as a result of the use of the mark as a trade mark. The expression “use of the mark as a trade mark” refers solely to use of the mark for the purposes of the identification, by the relevant class

of person, of the product as originating from a given undertaking: *Philips v Remington* at [64], *Nestlé v Mars* at [26], [29] and *Storck I* at [61].

66. The hearing officer's statement of the law was in accordance with these five propositions, and counsel for the applicant did not submit to the contrary. He nevertheless argued that she had erred in law in two respects. First, in his skeleton argument he submitted that the hearing officer had misinterpreted or misapplied the judgment of the European Court of Justice in *Nestlé v Mars*. Secondly, in his oral submissions he submitted that the hearing officer had applied the wrong test in requiring evidence which demonstrated that the mark was relied upon as an indication of origin. For reasons that will appear, these submissions are related, but nevertheless it is conveniently to deal with them separately.

67. In *Nestlé v Mars* Nestlé applied to register the expression HAVE A BREAK as a trade mark for chocolate, chocolate products, confectionary, candy and biscuits. The hearing officer, High Court and Court of Appeal were unanimous that the mark was devoid of any inherent distinctive character. Nestlé argued in the alternative that it had acquired a distinctive character as a result of Nestlé's use of the slogan HAVE A BREAK ... HAVE A KIT KAT. The hearing officer and High Court held that it had not. The Court of Appeal referred to the ECJ the question, "May the distinctive character of a mark referred to in Article 3(3) of [the Directive] and Article 7(3) of [the CTM Regulation] be acquired following or in consequence of the use of that mark as part of or in conjunction with another mark?".

68. The ECJ answered this question in the affirmative. Its reasoning was as follows:
 26. In regard to acquisition of distinctive character through use, the identification, by the relevant class of persons, of the product or service as originating from a given undertaking must be as a result of the use of the mark as a trade mark (judgment in *Philips*, paragraph 64).

27. In order for the latter condition, which is at issue in the dispute in the main proceedings, to be satisfied, the mark in respect of which registration is sought need not necessarily have been used independently.
 28. In fact Article 3(3) of the directive contains no restriction in that regard, referring solely to the ‘use which has been made’ of the mark.
 29. The expression ‘use of the mark as a trade mark’ must therefore be understood as referring solely to use of the mark for the purposes of the identification, by the relevant class of persons, of the product or service as originating from a given undertaking.
 30. Yet, such identification, and thus acquisition of distinctive character, may be as a result both of the use, as part of a registered trade mark, of a component thereof and of the use of a separate mark in conjunction with a registered trade mark. In both cases it is sufficient that, in consequence of such use, the relevant class of persons actually perceive the product or service, designated exclusively by the mark applied for, as originating from a given undertaking.
 31. The matters capable of demonstrating that the mark has come to identify the product or service concerned must be assessed globally and, in the context of that assessment, the following items may be taken into consideration: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (judgment in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee* [1999] ECR I-2779, paragraphs 49 and 51).
 32. In the final analysis, the reply to the question raised must be that the distinctive character of a mark referred to in Article 3(3) of the directive may be acquired in consequence of the use of that mark as part of or in conjunction with a registered trade mark.
69. Counsel for the applicant accepted that the hearing officer had correctly stated the effect of *Nestlé v Mars* in the first two sentences of paragraph 26 of her decision, but submitted that she was wrong to hold in the third sentence of that paragraph that, where a non-distinctive mark (here, the repeating pattern) is used alongside a distinctive mark (here, the word VIBE), the burden on the applicant to show that the non-distinctive mark had come to be seen as a secondary trade mark would be greater. Counsel submitted that the correct test

was that stated by the ECJ in *Nestlé v Mars* at [30]: “it is sufficient that, in consequence of such use, the relevant class of persons actually perceive the product or service, designated exclusively by the mark applied for, as originating from a given undertaking.” Accordingly, he argued, the hearing officer’s statement that the applicant had a greater burden was either wrong (if she was imposing an additional requirement) or unnecessary (if she was simply re-iterating the requirement to show that the mark in question had become distinctive).

70. I do not accept this argument. Counsel for the applicant accepted that, where a secondary mark is used together with a distinctive primary mark, then in practice it may be more difficult to show that the secondary mark has become distinctive. In my judgment, the hearing officer’s statement in the third sentence of paragraph 26 of her decision meant no more than this.
71. Turning to the second point, in paragraph 30 of her decision the hearing officer held that the evidence must show that the mark “is taken by the average consumer as a guarantee that the goods sold under it originate from the applicant because of the use of the mark for that purpose”. In paragraphs 58 and 69 she held that the applicant’s evidence did not demonstrate that “consumers place reliance on [the mark] when making their purchasing selection” or that the mark was “relied on as an indication of origin”. Counsel for the applicant submitted that the hearing officer had thereby applied the wrong test. He again argued that the correct test was that stated in paragraph 30 of the ECJ’s judgment in *Nestlé v Mars*.
72. During the hearing I drew the parties’ attention to the analysis of the question “Is ‘association’ enough?” in *Kerly’s Law of Trade Marks* (14th ed) §§8-023 to 8-025. At §8-023 the learned editors say:

The answer to this question depends on the meaning one gives to ‘associate’, but in general terms the answer is ‘no’.

The editors go on to suggest that the answer is “reasonably clear, but perhaps not *acte clair*”. They point out that both Jacob J (as he then was) in *Unilever plc’s Trade Mark Application* [2002] EWHC 2709, [2003] RPC 35 and Patten J in *Dyson* (cited above) referred questions to the ECJ on this point. The former reference was withdrawn and the latter was disposed of by the ECJ on other grounds.

73. At §8-025 the editors propose the following propositions:

- (1) mere association with a particular manufacturer is not enough;
- (2) the use of the sign must establish, in the perception of the average consumer, that the product originates from a particular undertaking;
- (3) that perception must result from the use of the sign as a trade mark – in other words, the proprietor must have done something in his use to identify the sign as a trade mark, and mere extensive use during a period of monopoly, without more, is most unlikely to have achieved this.

74. When I invited the parties’ comments on these propositions, both counsel for the applicant and the Registrar’s representative were initially disposed to accept them as correct, but on further enquiry it emerged that they differed as to their interpretation of the propositions, and in particular proposition (3). The key words in that proposition are “to identify the sign as a trade mark”. Counsel for the applicant disputed that this involved proving anything more than proposition (2), although he accepted that mere extensive use was unlikely to be enough to make a mark such that in issue in the present case distinctive. The Registrar’s representative submitted that the hearing officer was correct to require evidence that the average consumer relied upon the sign as an indication of origin.

75. The difference between the parties can be highlighted in the following way. Is it enough for the applicant to show that at the relevant date a significant proportion of the relevant class of persons (i) recognise the sign and (ii) associate it with the applicant’s goods *in the sense that*, if they were to be asked who marketed goods bearing that sign, they would say the applicant?

The applicant's case is that this is sufficient to show that the sign has acquired a distinctive character. The Registrar's case is that it is not.

76. This issue is particularly important in a case such the present, where (i) the applicant is seeking to demonstrate that a sign of a kind that consumers are not accustomed to regarding as a trade mark (here, a decorative surface finish) has acquired a distinctive character through use and (ii) the sign is used together with a distinctive conventional trade mark.

77. The issue has been addressed by the UK courts in a number of cases. In *British Sugar plc v James Robertson & Sons Ltd* [1996] RPC 281 at 304 Jacob J (as he then was) said:

Overall there is this further point, namely that recognition is not the same thing as perception as a trade mark – as not only recognising the word but as regarding it, in itself, as denoting the goods of one particular trader.

78. Although Jacob J did not repeat this observation in his judgment in *Philips Electronics NV v Remington Consumer Products Ltd* [1998] RPC 288, that judgment is entirely consistent with it. On appeal in that case [1999] RPC 809 at 819 Aldous LJ observed:

Philips' case is based on the fallacy that extensive use of a purely descriptive mark such that it has become associated with a trader means that the mark has a distinctive character.

79. Nevertheless, among the questions referred to the ECJ by the Court of Appeal in that case was the following question:

3. Where a trader has been the only supplier of particular goods to the market, is extensive use of a sign, which consists of the shape (or part of the shape) of those goods and which does not include any capricious addition, sufficient to give the sign a distinctive character for the purposes of Article 3(3) in circumstances where as a result of that use a substantial proportion of the relevant trade and public
 - (a) associate the shape with that trader and no other undertaking;
 - (b) believe that goods of that shape come from that trader absent a statement to the contrary?

80. While the reference was pending in *Philips v Remington*, Laddie J said in *Yakult Honsha KK's Trade Mark Application* [2001] RPC 39, albeit in relation to inherent distinctiveness:

8. ... The fact that a particular design is eye-catching because it is unusual or decorative is not enough. At all times the Registry has to ask itself whether the design is distinctive as a badge of origin....
10. ... As Mr Thorley rightly conceded, the fact that a container is unusual or attractive does not, per se, mean that it will be taken by the public as an indication of origin. The relevant question is not whether the container would be recognised on being seen a second time, that it to say, whether it is of memorable appearance, but whether by itself its appearance would convey trade mark significance to the average consumer. For the purpose of this appeal, I am prepared to accept that the bottle shape which is the subject of these applications is both new and visually distinctive, meaning that it would be recognised as different to the other bottles on the market. That does not mean that it is inherently distinctive in a trade mark sense.

81. The ECJ's answer to question 3 in *Philips v Remington* was follows:

64. Finally, the identification, by the relevant class of persons, of the product as originating from a given undertaking must be as a result of the use of the mark as a trade mark and thus as a result of the nature and effect of it, which make it capable of distinguishing the product concerned from those of other undertakings.
65. In the light of those considerations, the answer to the third question must be that, where a trader has been the only supplier of particular goods to the market, extensive use of a sign which consists of the shape of those goods may be sufficient to give the sign a distinctive character for the purposes of Article 3(3) of the Directive in circumstances where, as a result of that use, a substantial proportion of the relevant class of persons associates that shape with that trader and no other undertaking or believes that goods of that shape come from that trader. However, it is for the national court to verify that the circumstances in which the requirement under that provision is satisfied are shown to exist on the basis of specific and reliable data, that the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well-informed and reasonably observant and circumspect, are taken into account and that the identification, by the relevant class of persons, of the product as originating from a given undertaking is as a result of the use of the mark as a trade mark.

82. In *Unilever* Jacob J said:

31. Putting the other products on one side for the moment, there can be no doubt that the product appearance has achieved considerable recognition on its own as denoting Walls' Viennetta - the product of a particular manufacturer. Is that enough to give it a 'distinctive character' within the meaning of Art.3(3)? For what has not been proved is that any member of the public would *rely* upon the *appearance alone* to identify the goods. They recognise it but do not treat it as a trade mark.

32. There is a bit of sleight of hand going on here and in other cases of this sort. The trick works like this. The manufacturer sells and advertises his product widely and under a well-known trade mark. After some while the product appearance becomes well-known. He then says the appearance alone will serve as a trade mark, even though he himself never relied on the appearance alone to designate origin and would not dare to do so. He then gets registration of the shape alone. Now he is in a position to stop other parties, using their own word trade marks, from selling the product, even though no-one is deceived or misled.

33. I do not think that is what the European Trade Mark system is for. It is a system about trade marks, badges of trade origin. For that reason I think that in the case of marks consisting of product shapes it is not enough to prove the public recognises them as the product of a particular manufacturer. It must be proved that consumers regard the shape alone as a badge of trade origin in the sense that they would rely upon that shape alone as an indication of trade origin, particularly to buy the goods. If that cannot be proved, then the shape is not properly a trade mark, it does not have a 'distinctive character' for the purposes of trade mark law.

...

37. The presumed expectation of a member of the public is that the shape of Viennetta is there to make it attractive to the eye and to indicate its virtue as a delicious ice-cream product. I see no material in the evidence which rebuts that presumed expectation. On the contrary the way the product has been advertised reinforces that expectation. The advertisements say, and very effectively say, 'look at this attractive and delicious product and buy it for those attributes.' They do not teach the public to regard the appearance on its own as saying 'here is a Walls product' or 'here is a product from a unique source.'

38. Thus I think there is a real difference between mere product recognition and 'distinctive character' in the case of three-dimensional signs. For the latter to qualify for registration they must be more than

recognised, they must be taken and relied on as trade marks. That will require proof under Art.3(3).

...

40. I think that what I have said is consistent with what the Court said in *Philips* in relation to question 3. ...

...

42. So the Court indicates three things: that it '*may* [my emphasis] be sufficient' if the trader can show (a) association with him and no-one else, or (b) a public belief that goods of that shape come from him. But the national court must go on to consider the 'presumed expectations' of the average consumer. For that purpose the identification of the product as originating from a given undertaking must be 'as a result of the *use of the mark as a trade mark*' [my emphasis]. The Court did not stop with (a) and (b). What needs clarification is what more is needed.

43. For myself, I read this passage as saying that mere product recognition and association with one trader is not enough – it must be shown that the public has come to recognise the shape as a badge of origin. This is because the use must be as a trade mark. But the point is not wholly clear.

83. As noted above, Jacob J referred questions to the ECJ but the reference was subsequently withdrawn when the dispute was settled.

84. In *Dyson Patten* J said at [45]:

The strong impression given by the witnesses is that they came to recognise the clear bins as an indication that they were looking at a bagless cleaner, and were informed by advertising, and the lack of any rival products, that this was a Dyson cleaner. That link remained with many of them throughout the period of Dyson's *de facto* monopoly and in some cases beyond. By 1996, however, the clear bin had not been actively promoted by Dyson as a trade mark, and Mr Carr cannot and does not rely on that. His case is that what counts is not what the trade mark owner has done, but what the public perceive in relation to the mark applied for. But he accepts that the result of the process of use must be to confer on the mark the status of a badge or guarantee of origin. The difficulty lies in establishing during the monopoly period what more is required, beyond association of the product with the actual manufacturer, for it to achieve trade mark status. This is particularly important, bearing in mind that the mark in the present case will have the effect of reserving to Dyson the right to use clear plastic as an exclusive indicator of origin beyond the period during

which it was the sole producer of bagless cleaners. My own inclination is to assume, as Jacob J did in *Société de Produits Nestlé SA v. Unilever Plc* [2002] EWHC 2709 (Ch), that the mark has to be used, up to the relevant date, as a trade mark. Without this, it is difficult to see how the clear bin could have come to be regarded in the minds of the public as a guarantee that the machine was a Dyson product and was made by no-one else. On that basis I would have dismissed the appeal on acquired distinctiveness. But it may be that the test laid down in *Philips v. Remington* does envisage circumstances in which a *de facto* monopoly leading to the recognition of the goods as those of a particular trader, even absent actual promotion of the sign as a trade mark, may nonetheless produce the necessary degree of distinctiveness. I therefore intend to refer this question to the Court of Justice for its guidance.

85. Patten J referred the following questions to the ECJ, but as noted above the ECJ dealt with the reference on other grounds:

1. In a situation where an applicant has used a sign (which is not a shape) which consists of a feature which has a function and which forms part of the appearance of a new kind of article, and the applicant has, until the date of application, had a *de facto* monopoly in such articles, is it sufficient, in order for the sign to have acquired a distinctive character within the meaning of Article 3(3) of [the Directive], that a significant proportion of the relevant public has by the date of application for registration come to associate the relevant goods bearing the sign with the applicant and no other manufacturer?
2. If that is not sufficient, what else is needed in order for the sign to have acquired a distinctive character and, in particular, is it necessary for the person who has used the sign to have promoted it as a trade mark?

86. In *Bongrain* (cited above), Jacob LJ said, albeit in the context of inherent distinctiveness:

26. With that I can turn to Mr Malynicz's main point – that a very fancy shape is necessarily enough to confer an inherent distinctive character. I would reject it. As a matter of principle I do not accept that just because a shape is unusual for the kind of goods concerned, the public will automatically take it as denoting trade origin, as being the badge of the maker. At the heart of trade mark law is the function of a trade mark – expressed in Recital 10 of the Directive as an indication of origin. The perception of the public – of the average consumer is what matters. Mr Daniel Alexander QC, for the Registrar, helpfully pointed out that the kinds of sign which may be registered fall into a kind of spectrum as regards public perception. This starts with the most distinctive forms such as invented words and fancy devices. In the

middle are things such as semidescriptive words and devices. Towards the end are shapes of containers. The end would be the very shape of the goods. Signs at the beginning of the spectrum are of their very nature likely to be taken as put on the goods to tell you who made them. Even containers, such as the fancy Henkel container, may be perceived as chosen especially by the maker of the contents (e.g. shampoo) to say 'look – here is the product of me, the maker of the contents'. But, at the very end of the spectrum, the shape of goods as such is unlikely to convey such a message. The public is not used to mere shapes conveying trade mark significance, as the Court pointed out in *Henkel (detergent tablets)*. The same point was made about slogans in *Das Prinzip der Bequemlichkeit*, para. 35:

'the authorities may take account of the fact that average consumers are not in the habit of making assumptions about the origin of products on the basis of such slogans.'

27. As regards the sentence from *Henkel (detergent tablets)* quoted above at para. 13, I do not read the Court as saying – almost as an incidental matter – that a fancy shape is ipso facto enough for registration. Mr Malynicz suggests we read 'thereby' as 'therefore'. I think the Court is saying no more than that fancy shapes – those which depart significantly from the norm – may fulfil the essential function, not that they must. The approach in *Mag Instrument* is particularly instructive. What matters is:

'the presumed expectations of an average consumer' (para.7)

In that case the fact that the shapes of the torches had in fact become well-known after the date of application was not enough to prove they had inherent distinctiveness within the meaning of Art.7(1)(b) of the Community Trade Mark Regulation (equivalent to Art.3(1)(b) of the Directive) (judgment para. 64).

28. So I think Mr Malynicz's principal contention is wrong. Even if the shape of the goods themselves is indeed fancy, that is not enough to entitle a would-be trader in them to registration as a trade mark. (I say would-be because one is here working on the hypothesis of an unused mark.) Although a trade mark may also be a design, there are real differences between creating a fancy shape to sell as such and a fancy shape which truly in itself will denote trade origin if used. In so holding I am not saying (and indeed Mr Alexander did not contend otherwise) that a shape of goods (including that of a cheese) cannot become a trade mark by acceptance as such by the public. Mere use may not be enough, but if it can be shown that, following such use, the average consumer has come to say: 'by this shape I know I can rely upon getting goods from the same maker as before', then the design of goods will also have become a trade mark. Registration pursuant to Art.3(3) would then be permissible because the shape would have acquired a distinctive character in the trade mark sense.

87. Although the issue of acquired distinctiveness received some consideration by Rimer J (as he then was) in *Koninklijke Philips NV v Remington Consumer Products Ltd* (the clover leaf faceplate case) [2004] EWHC 2327 (Ch), [2005] FSR 17, his judgment does not take matters further forward than *Unilever and Dyson*. Nor does that of the Court of Appeal in that case [2006] EWCA Civ 16, [2006] FSR 30.
88. In my judgment, the answers to the two questions referred by Patten J in *Dyson* are still not clear, despite the subsequent judgments of the ECJ in *Nestlé v Mars* and *Storck I*. Neither of those judgments deals with the first question at all. As to the second question, I do not consider that either *Nestlé v Mars* at [24] or *Storck I* at [61] really assist. They confirm that the sign must be used as a trade mark, that is to say, for the purposes of identifying the goods as originating from a given undertaking; but they do not make it clear what more (if anything) is required than association even in the sense I have defined above or whether it is necessary for the applicant to have promoted the sign as a trade mark.
89. Left to my own devices, I would have referred these questions once again to the ECJ in the hope that this time they might be answered. In view of the applicant's opposition to that course, however, I shall not do so.
90. In my judgment, the law as it stands at least in this country is that the answer to the first question is no: association even in the sense I have defined above is not enough. As to the second question, I consider that Jacob LJ's judgments in *Unilever* and *Bongrain* show that the hearing officer applied the correct test: what must be shown is that a significant proportion of the relevant class of persons rely upon the sign in question on its own as indicating the origin of the goods. I do not think, however, that it is essential for the applicant to have explicitly promoted the sign as a trade mark. It is sufficient for the applicant to have used the sign in such a way that consumers have in fact come to rely on it as indicating the origin of the goods. On the other hand, if the applicant has explicitly promoted the sign as a trade mark, it is more likely that consumers will have come to rely upon it as indicating the origin of the goods.

91. Moreover, I think the hearing officer was right to pay particular, though not exclusive, attention to the question of whether the evidence shows that consumers rely upon the sign when making purchasing decisions. In my view this is supported by the following paragraphs of the ECJ's judgment in *Storck I*:

70. As regards the third part of that ground of appeal, it must be noted that, if a mark does not *ab initio* have distinctive character within the meaning of Article 7(1)(b) of Regulation No 40/94, Article 7(3) provides that it may acquire such character in relation to the goods or services claimed as a result of its use. Such distinctive character may be acquired, inter alia, after the normal process of familiarising the relevant public has taken place (Case C-104/01 *Libertel* [2003] ECR I-3793, paragraph 67, and *Mag Instrument v OHIM*, paragraph 47).

71. It follows that in order to assess whether a mark has acquired distinctive character through use all the circumstances in which the relevant public may see that mark must be borne in mind. That means not only when the decision to purchase is made but also before that point, for example as a result of advertising, and when the product is consumed.

72. None the less, it is when making his choice between different products in the category concerned that the average consumer exhibits the highest level of attention (see, to that effect, Case C-361/04 P *Ruiz-Picasso and Others v OHIM* [2006] ECR I-0000, paragraph 41), so that the question whether or not the average consumer sees the mark at the time of purchase is of particular importance for determining whether the mark has acquired distinctive character through use.

92. Accordingly, I conclude that the hearing officer applied the right legal test.

Identification of the average consumer

93. Counsel for the applicant submitted that the hearing officer was inconsistent in her characterisation of the average consumer in her decision. In paragraph 20 of her decision she said that the average consumer was “the general loudspeaker buying public”, while in paragraph 57 she referred to the average consumer as “the car speaker buying public”.

94. I do not accept that the hearing officer made any material error of principle in this regard. She recorded in paragraph 33 of her decision the restriction of the specification of goods to “loudspeaker enclosures for in-car entertainment systems”. In her review of the evidence she referred repeatedly to the applicant’s use of the mark on car loudspeaker enclosures. In my view, she characterised the average consumer perfectly accurately in paragraph 57 of her decision. I do not consider that she intended to say anything different in paragraph 20. Moreover that paragraph was concerned with inherent distinctiveness.

The evidence

95. The hearing officer’s conclusion that the applicant had not shown that the mark had acquired a distinctive character was a finding of fact arrived at after a detailed review of the evidence. Since the hearing officer applied the correct legal test, her finding of fact should not be overturned unless the hearing officer made some other material error of principle or was clearly wrong. Counsel for the applicant made a number of criticisms of the hearing officer’s assessment of the evidence. In my judgment none of these criticisms demonstrated any error of principle on the part of the hearing officer. On the contrary, they amounted to series of a submissions that evidence which the hearing officer did not find persuasive should have been regarded by her as persuasive.

96. Counsel also submitted that the hearing officer was clearly wrong to reach the conclusion she did on the evidence. I shall therefore review the evidence.

Use by the applicant

97. The applicant commenced using the mark at an unspecified point in 2002, so at most some 3 ½ years before the filing date. In 2002 the sales value of goods bearing the mark was worth £670,369, in 2003 £2,813,839, in 2004 £4,469,810.16 and in January to October 2005 £1,512,947, giving a total of £9,466,993. It is not clear to me whether these figures are wholesale or retail

figures, but I assume the latter. The total number of products sold during this period was 38,674. The applicant's evidence is that these sales represented a significant share of the in-car loudspeaker enclosure market.

98. The applicant was unable to give figures for the sums spent on promoting goods bearing the mark, but it produced a number of examples of promotional literature. These range in date from a sales brochure dated 2001/2002 to a catalogue dated 2005. They range in terms of circulation from some posters, of which 2,000 of each were printed, to the 2001/2002 sales brochure, of which 50,000 were printed. The evidence gives the impression that the applicant's products are quite widely promoted to its target market. As the hearing officer rightly observed, however, a number of these items exhibited either make no special mention of the repeating pattern at all or simply contain statements to the effect that it is a finish in which the applicant's products are available. More helpful from the applicant's perspective are the following items of evidence.
99. First, the applicant's 2004 sales brochure, of which 5,000 copies were printed. As the hearing officer noted, the first page of this brochure includes the following statement:

The VIBE range of subwoofer enclosures are all designed and handcrafted at our production headquarters in England. Our trademark heavy cases are jointed, braced, glued and screwed to ensure solidity and perfectly sealed airtight enclosures, before being sprayed in our trademark crackle effect paint finish (now available in a new metallic finish on our AC series).

I have quoted the hearing officer's assessment of this statement above.

100. Secondly, three advertisements for particular products placed by the applicant on a number of occasions in a number of magazines directed to its target market. As the hearing officer noted, the first and third, used from April to September 2002 and from December 2002 to June 2003 respectively, include references to "the famous VIBE crackle paint"; while the second, used from September 2002 to June 2003, includes in small print the statement "VIBE

crackle paint is a trademark of VIBE quality”. The hearing officer rightly pointed out that the applicant had not given any circulation figures for the magazines in question, but I am prepared to assume that they had a significant circulation in the relevant market.

Use by third parties

101. There was also some evidence of third parties referring to the repeating pattern as distinctive or as a trade mark of the applicant. First, some articles published in magazines. Again the hearing officer criticised the absence of circulation figures, but I would be prepared to make the same assumption. The most helpful items from the applicant’s perspective are as follows:

- (1) A short product notice published in the August 2002 edition of *Max Power* saying “It’s finished in their trademark black crackle paint”.
- (2) Two articles published in the January 2004 edition of *Fast Car*, the first referring to “Vibe’s now famous black crackle paint” and the second a product review saying “Nice terminals, unique black crackle finish says it’s a Vibe”.
- (3) An article published in the July 2004 edition of *Fast Car* referring to “the absolutely distinctive leather-crackle paint that Vibe are so famous for”.
- (4) An article published in the September 2005 edition of *Fast and Modified* which refers to “a custom made fibreglass enclosure which has been finished in Vibe’s crackle effect paintwork”. Although this is dated after the filing date, the magazine would have been on sale in August 2005 and the article was probably written in July or August 2005, so this may reflect the position as at the relevant date.

102. Secondly, two emails from members of the public to the applicant dated 10 August 2004 and 19 April 2005 in the following terms:

I am currently doing an install for my Honda Civic Coupe and I am after some vibe vinyl material/trademark point to go with my vibe twin subs that i have just ordered. Can u give me some information as to where I can but his paint to cover my boot space that matches the trademark vibe ‘cracked’ vinyl covering my sub box????

I am currently creating a Vibe install in my VW Golf I would love to make the finishing touches with your cracke [sic] finish to mach the CBR12 enclosure. Is there any way of getting this paint finish ie do or can you sell it to me, or is there an alternative finish that would give similar effects. I would love my install to look great and your trademark finish would really help. Please send any further information you may have.

Trade evidence

103. As noted above, the trade evidence consists of three “statements” from journalists in the in-car entertainment field, namely Adam Rayner, Louis McNamee and Fraser Scotcher. Although it contains an apparent factual inaccuracy, perhaps the best of these from the applicant’s perspective is that of Mr McNamee, who says:

VIBE subwoofer enclosures are amongst the finest on today’s market and I believe that the readers of the publications I work on recognise the distinctive finish VIBE have been using for the last decade – and that’s their trademark crackle paint!

Survey evidence

104. The survey was conducted at the *Fast and Furious* show, apparently a show for in-car entertainment products at which the applicant had a stand. It was carried out on 23 and 24 June 2007, although some of the questionnaires are misdated July. Respondents were asked the following questions:

2. Have you ever purchased or considering purchasing loudspeakers for an in car entertainment system?
3. What can you tell me about the finish used on this sample? [The sample being a flat piece of board with the repeating pattern applied to one side.]

4. Can you identify the manufacturer of a car audio product bearing this surface finish?
105. 148 people were interviewed. Of those 118 (79.7%) identified the manufacturer as the applicant in answer to question 4. 26 people answered No to question 2, and if they are removed from the sample, 105 out of the 122 remaining (86.1%) identified the applicant. Only one respondent identified a supplier other than the applicant in answer to question 4. 10 respondents identified the applicant when answering question 3.

Assessment

106. In my judgment, it is not possible to place any real weight on the survey, for the following reasons. First, as the hearing officer noted, it was conducted two years after the filing date. While it is permissible to rely upon evidence that post-dates the filing date if it enables conclusions to be drawn as to what the position was at the filing date (*Case C-192/03 Alcon Inc v Office for Harmonisation in the Internal Market* [2004] ECR I-8993 at [41]), it is not possible to be confident that that is the case with this survey since (i) two years is quite a long period of time compared to the period of time from when the applicant started using the mark to the filing date and (ii) there is no evidence as to how the relevant market developed during that period and in particular how, and on what scale, the applicant used the mark: cf. *Dualit's Trade Mark Applications* [1999] RPC 890 at [52]. Secondly, since it is evident that the applicant had a stand at the show, the high recognition rate may have been attributable to the presence of products bearing the pattern on its stand. Thirdly, the wording of question 4 is open to criticism. First, there is the usual problem that it invites speculation. Secondly and more seriously, the question is slanted since it presupposes that there is only one manufacturer who makes a car audio product bearing the surface finish. Thus, as with many quizzes, there is a big clue to the desired answer in the question.
107. Turning to the trade evidence, leaving aside the formal defects, this also suffers from three problems. First, the journalists are evidently specialists in

the field and so it is not surprising that they recognise the applicant's products: cf. *Dualit* at [33]. Secondly, as the hearing officer pointed out, in so far as they are speaking to the perceptions of their readers, none of them explains the basis upon which they are able to do so. Thirdly, all the evidence dates from over 14 months after the filing date and none of it addresses the position at that date.

108. As for the evidence of use, this does show that the applicant had made some efforts to promote the repeating pattern as a trade mark prior to the filing date. As the hearing officer observed, however, this evidence does not demonstrate that a significant proportion of relevant consumers actually understood the repeating pattern to be a sign of origin as opposed to an attractive finish of which the applicant was the only or perhaps the best known supplier. Much the same goes for the magazine articles, although these perhaps go slightly further in demonstrating such an effect. Perhaps the best evidence of this are the two emails quoted above, but these are from customers who had purchased the applicant's products and who evidently primarily identified the source of those products by the word VIBE.
109. Overall, I agree with the hearing officer in concluding that, at best, the evidence suggests that as at the filing date a significant proportion of relevant consumers associated the mark with the applicant's goods in the sense I have defined above. It does not demonstrate that consumers relied on it as indicating the origin of those goods.

Conclusion

110. The appeal is dismissed.

Costs

111. In accordance with the usual practice in *ex parte* cases, I shall make no order as to costs.

16 June 2008

RICHARD ARNOLD QC

Giles Fernando, instructed by D.W. & S.W. Gee, appeared for the applicant.

Allan James appeared for the Registrar.