

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2015684
by Societe des Produits Nestle S.A. to register a
trade mark in Class 30**

**AND IN THE MATTER OF Opposition thereto under
No 48341 by Mars U.K. Limited**

Background

1. On the 28 March 1995 Societe des Produits Nestle S.A. applied to register the trade mark HAVE A BREAK in Class 30 in respect of:

“Chocolate; chocolate products; confectionery; candy; biscuits.”

2. The application was accepted on the basis that the trade mark had acquired a distinctive character through use. After publication, on 10 March 1998, Mars U.K. Limited filed Notice of Opposition. The grounds of opposition are, in summary, that:

- (a) The trade mark applied for is incapable of distinguishing the goods of one undertaking from those of other undertakings;
- (b) The mark serves exclusively to designate a characteristic or the intended purpose of the goods;
- (c) The mark consists exclusively of indications customary in the current language or in the bona fide and established practices of the trade;
- (d) The mark is devoid of any distinctive character and has not acquired distinctive character as a result of the use made of it;
- (e) The application should therefore be refused because registration would contravene Sections 3(1)(a), (b) and (c) and (d) of the Act.

3. The applicant filed a counterstatement denying the grounds of opposition.

4. Both sides seek an award of costs.

5. This trade mark was the subject of earlier opposition proceedings involving the opponent and the applicant's predecessor-in-title. The earlier proceedings were under the 1938 Act and the result of this is reported at [1993] RPC 217. Whitford J. determined that the trade mark HAVE A BREAK was not registrable prima facie under the terms of the old law, and that it

had not acquired a distinctive character in fact by the date of the earlier application in 1983.

6. The current opposition came to be heard on 4 February 2002, when the applicant was represented by Mr H Carr QC, and the opponent by Mr M Bloch QC, instructed by Clifford Chance.

Summary of the Applicant's Evidence

7. The applicant's evidence consists of details of use of the mark HAVE A BREAK (generally as part of the promotional statement "Have a Break, Have a Kit Kat"), a supporting declaration from a major retailer (Safeway), and evidence of the results of a public survey intended to test the public reaction to the use of HAVE A BREAK as a new brand name for confectionery. The last category of evidence includes 30 statutory declarations from members of the public who took part in the survey elaborating on their reaction to the mark HAVE A BREAK.

8. The applicant's evidence of use of HAVE A BREAK is set out in a statutory declaration dated 16 June 1997 by Paula Miriam Nelson. Ms Nelson is the Company Secretary of Nestlé UK Limited. According to Ms Nelson, the mark HAVE A BREAK has been used since 1957 in advertising the milk chocolate wafer biscuit branded as KIT KAT. Apart from a period between 1965 and 1975, such use has been continuous. Use was originally by Rowntree and Company Limited, but has transferred through a series of assignments to the present applicant in 1990.

9. The applicant has expended considerable sums promoting the KIT KAT product by reference to the mark applied for. In 1994, the last full year before the relevant date, the applicant spent over £5m. Most of this was spent on TV advertising. Representative examples of the TV adverts are exhibited in a video at PMN2, together with a list of dates when these adverts were first broadcast (at PMN3).

10. Apart from those adverts from the period 1965-75 (when other strap lines playing on the word "break" were used), the TV adverts include the spoken words "Have a Break, Have a Kit Kat," usually as the punch line of the advert. The words "Have a Break" also appear on screen in some of the later adverts, although with one exception, this is always in association with the words "Have a Kit Kat" or the KIT KAT logo, and accompanied by the spoken slogan described above. The one exception is an advert first broadcast in 1995 wherein the words "Have a Break" appear at the top of the screen with the Kit Kat logo appearing at the bottom of the screen. However, the spoken words "Have a Break, Have a Kit Kat" are used in conjunction with the visual messages effectively linking the separate signs together. Further, as the relevant date is in March 1995, it is not clear whether this advert was broadcast before or after the relevant date.

11. Exhibit PMN4 to Ms Nelson's declaration consists of a small selection of other

advertisements for KIT KAT. Most are copies of posters. Some of these do show the words HAVE A BREAK used alone and other than as part of the phrase “Have a Break, Have a Kit Kat.” However, none of these posters are dated and there is no specific claim that they existed prior to the relevant date in 1995. Nor is there any evidence about the extent of their distribution. And in contrast to the TV adverts, there is no claim that they are representative of the applicant’s non-TV advertising.

12. The KIT KAT product is extremely successful. Sales volumes for 1994 amounted to £139m. The product comes in two and four “finger” versions. The four finger version has carried the statement “Have a Break, Have a Kit Kat” since 1966. The slogan appears on the back of the outer packaging in relatively small script. The two finger version does not carry this statement because there is insufficient space on the packaging. However, since 1983 it has appeared on the outer packaging of multi-packs of both versions of the product.

13. Ms Nelson re-introduces two pieces of research evidence that were conducted in 1982 in support of the earlier application to register HAVE A BREAK. The first concerned a trade survey of confectioners which resulted in 24 declarations from respondents. The applicant can no longer find copies of these declarations but nevertheless wishes to rely on the statistical result of the survey.

14. The second piece of research from 1982 is a survey of 500 consumers, which is said to show that 80% of respondents spontaneously associated the term “Have a Break” with KIT KAT.

15. Given the absence of part of the evidence and the 13 year gap between the date this evidence was collected and the relevant date in these proceedings, I do not find this evidence of much assistance, particularly as there are numerous more recent surveys in evidence (see below).

16. The applicant’s supporting trade evidence comes from a Mr Roger Partington, who is (or was in 1997) the Managing Director of Safeway Stores Plc. He says that:

- a) He associates Have a Break with KIT KAT because of the use he has experienced;
- b) His company does not use or intend to use Have a Break on SAFEWAY branded confectionery; and
- c) The words “have” and “break” are “common parlance” and he therefore wishes to reserve the right to use these words “in the course of ordinary communication with (his) customers”.

17. Ms Nelson and Mr Partington’s evidence was filed prior to the acceptance of the

application by the examiner, and is introduced into the opposition proceedings by a later declaration by Sarah Dixon, who is a Legal Advisor to Nestle UK Ltd.

18. The applicant's contemporary public survey evidence is introduced under cover of a statutory declaration dated 8 December 1999 by Sue Gardiner. Ms Gardiner is the Managing Director of a research company known as Millward Brown Research Ltd. She describes how her company conducted a doorstep survey of 517 people at various locations throughout the UK between 2 and 29 November 1998. After asking a few preliminary questions about the respondents jobs and eating habits, they were shown a rough mock-up of a flattish rectangular bar of chocolate confectionery with no get-up, prominently featuring the words "Have a break". Respondents were told this was a rough design for a new brand of chocolate confectionery and asked what they thought about it.

19. The survey report, attached as exhibit SG5 to Ms Gardiner's declaration, records that 24% of those interviewed mentioned KIT KAT in their answer. 18% of the total are listed under a code that indicates that their answer was that they were "reminded" of KIT KAT. 2% are listed as having responded along the lines of "It's like KIT KAT advertising". 1% said "Too close to KIT KAT/similar to KIT KAT." None of the codes are directed at those who said that the design shown to them was a KIT KAT, although 4% included the slogan "Have a break have a KIT KAT" in their response.

20. Those respondents that did not mention the proposed brand name in response to the first question were then asked, more specifically, what they thought of the name shown in the mock-up design (HAVE A BREAK). After this prompt the number of respondents who mentioned KIT KAT in their reply to the first or second question increased to 50% of the total sample. Ms Gardiner points out that the percentage of the total sample who are coded as having responded along the lines of "reminds me of KIT KAT" increased to 34% after the second question. Again none are expressly recorded as having said that the product was a KIT KAT.

21. Felicity Anne Cox is a Trade Mark Assistant in the Legal Department of Nestle UK Ltd. She exhibits the questionnaires recoding respondents verbatim answers at the time of the survey. She describes how, in March 1999 (some 4 months after the public survey), she was asked to follow up individual respondents. She approached 107 respondents who had mentioned KIT KAT during the doorstep survey, and 18 who had not, to see if they were prepared to discuss the matter further.

22. Ms Cox describes how the matter was progressed as follows:

"My conversations with those Respondents I was able to contact and who were prepared to discuss the matter further all followed a similar pattern. I first of all confirmed that I was speaking to the correct person and then introduced myself. I asked if they remembered the market research and outlined the reason for my call. I

explained that they would be asked to sign a statement setting out their views and while this would be at no expense to themselves, nor could I offer any payment or recompense.

If the Respondent was willing to help further I spent several minutes chatting with them informally about their original reply to the survey, while reassuring them that there were no “right” or “wrong” answers and that all I was interested in was their personal views, experiences and opinions, whatever they might be.

I made a note of their comments as the conversation progressed and then produced a draft statement from my notes which I sent to them in the form of a draft Statutory Declaration for their approval, comments or amendment as necessary. After giving the Respondents time to consider the draft Statutory Declaration, I telephoned them again and asked if they were still prepared to help and, if so, if there were any amendments to be made to their statement. Once any amendments had been made I sent them an engrossment for signature and arranged an appointment for them to attend at a local solicitor to sign the Declaration. This was then returned to me in a stamped, addressed envelope I had provided.”

23. Ms Cox states that thirty completed statutory declarations were returned. Twenty nine of these declarations came from respondents who had mentioned KIT KAT during the doorstep survey, and one came from a respondent who had not. I will return to the detail of it later.

Summary of Opponent’s Evidence

24. The opponent’s evidence consists of:

- a) Two statutory declaration from William Ronald, the Managing Director of the Snack foods Division of Mars UK, giving details of the opponent’s business in the UK as a major producer of confectionery, and the opponent’s reasons for opposing the registration of HAVE A BREAK as a trade mark. Mr Ronald’s second declaration describes a dispute between the parties in Greece, which he regards as justifying the opponent’s concern.
- b) Three statutory declarations by Thomas Louis Brand, a Trade Mark Attorney, providing the results of various research which shows that “Have a break” is a common expression, and that “break” is a word associated with snack foods.
- c) Statutory declarations from Lucy Ann Headington, Emily Jane Keaney (both of whom are employed by the opponent’s Trade Mark Attorneys) and Garry John Marshall (who is a Researcher employed by Julian Hill Associates) describing a survey of confectioners carried out between September and December 1998, and three additional ad hoc surveys of a similar nature undertaken by Ms Keaney in September

1998. Seven of the respondents from Mr Marshall's part of the main survey completed statutory declarations confirming the answers attributed to them.

d) A statutory declaration by Christopher Anthony Stevens, who is an Associate Director of The Harris Research Centre, describing the results of two public surveys undertaken on behalf of the opponent. The first survey was intended to find out what the public eat when they have a break. The second was intended to establish the name or names by which the KIT KAT product is known to the public.

e) A statutory declaration by Evie Kyriakides, who is the Marketing Property Manager of Mars UK Ltd, which contains a series of criticisms of the applicants' public survey evidence.

25. Mr Ronald gives evidence that the opponent keeps watch around the world and may oppose trade mark registrations which may interfere with the opponent's freedom to advertise or describe its products. In Mr Ronald's opinion, the word "break" is highly suitable and obvious for use in the snack food market because it describes both when a snack food can be eaten and why it should be eaten.

26. Mr Ronald observes that the applicant's use of "Have a break" has always been as part of the slogan "Have a break, Have a Kit Kat", or if the phrase "Have a Break" has been used alone, it has been too seldom or infrequent for him to remember.

27. In his second declaration, Mr Ronald provides details about a dispute between the parties in Greece wherein the applicant objected to the opponent's use of the word "break" in an advertisement for its TWIX confection. The dispute in Greece does not appear to be under the trade mark law. Rather the complaint seems to have arisen under the national advertising code on the basis that the opponent's advertisement imitates or takes unfair advantage of the applicant's KIT KAT advertising. Nevertheless, Mr Ronald relies on this matter as justification for the current opposition proceedings.

28. Mr Brand's evidence includes (as exhibit TLB-1 to his declaration of 3 July 1998) the results of some superficial research into the use of the phrase "Have a break" and 'break' in press articles in the period 1990-98. Most of these articles, which only amount to twenty pages in total, are on unrelated topics, such as sport and relationships, but there are a scattering of articles that unsurprisingly link the word 'break' with 'snack'.

29. Exhibit TLB-2 to Mr Brand's declaration of 3 July 1998, TLB2.1 to his subsequent declaration of 12 October 1998, and TLB4.1 to his latter declaration of 6 April 1999, consist of samples of packaging for chocolate confectionery products that include the word 'Break' on the packaging. The samples appear to have been collected in 1998/99, some time after the relevant date.

30. Some of the examples show the word 'Break' in use as part of a trade mark for chocolate confections, eg 'Fox's Twinbreaks' 'St Michael's Break In' and Nestle's own 'Breakaway'. Others show the word in use descriptively, or at least not in an obvious trade mark sense, eg Cadbury's 'Chocolate Break' (for drinking chocolate), 'Tesco Break 2', 'Waitrose Wafer Break' and 'T-Break', 'Caxton Break Bars', Morrison's 'Break' and 'Bobby Break 4' (all of which appear to be similar to KIT KAT being two and four fingered chocolate covered wafer biscuits).

31. A couple of the examples show the word 'Break' used in a slogan on the packaging of the products. A Cadbury's 'Time Out' confection is described as "The wafer break with a layer of Flake". The opponent's TWIX chocolate biscuit carries the slogan "A break from the norm".

32. Mr Marshall gives evidence that he visited confectionery shops in various locations and asked the person attending to him "Does anyone ever ask for a confectionery product called "Have a break". Fifty three of the sixty respondents said "No". Two said "Yes", one of whom went on to mention KIT KAT. Five other respondents, whilst not answering "Yes", mentioned KIT KAT in their answer. All sixty respondents sold the product. When subsequently shown the product and asked what name people use to ask for it, all those that offered a name (not surprisingly) said KIT KAT.

33. Ms Headington conducted an identical survey of twenty confectioners which produced a similar result. Nobody answered the first question positively, but one person mentioned KIT KAT.

34. Ms Keaney conducted another identical survey of eight confectioners, which also produced a nil response to question one, again with one respondent mentioning KIT KAT.

35. Ms Keaney conducted a mini survey of members of the public, the results of which she exhibits at EJK 6. She stopped ten members of the public, all of whom knew the KIT KAT product and all of whom said they knew of no other name for it. Ms Keaney conducted two further mini surveys. The numbers involved were very small and the questions similar to those described below in the evidence of Mr Stevens. This part of Ms Keaney's evidence does not therefore add anything to that of Mr Steven's below.

36. Mr Steven's describes how The Harris Research Centre conducted two public surveys on behalf of the opponent. In the first survey 1022 people were approached in their own homes, and asked "What do you eat when you have a break". Two hundred and fifteen people answered 'biscuit'. Thirty said 'chocolate biscuit'. One hundred and fifty one answered 'chocolate bar'. These descriptions, which could all be applied to the KIT KAT product, account for nearly 40% of the responses recorded.

37. In the second survey, seven hundred and ninety four people were shown a KIT KAT and

asked if they were familiar with it. Seven hundred and fifty six of these said 'yes'. When asked for the name of the product all but five said KIT KAT. Respondents were then asked for other names for the product. None are recorded as having said "Have a break", although I should record that I have only been shown the coded responses and not the verbatim answers.

38. For the sake of completeness, I should record that Mr Brand filed a fourth statutory declaration dated 6 January 1999, which sought to cast doubt on whether the 1990 assignment of the mark HAVE A BREAK to the current applicant was with goodwill, and whether the applicant could claim the benefit of any use prior to 1990. Just before the hearing, Sarah Dixon of Nestle filed a witness statement confirming that the assignment of the mark to Nestle in 1990 was with goodwill. The point was not pursued at the hearing and I therefore intend to say no more about it.

Section 3(1)(a)

39. Sections 1(1) and 3(1) of the Act are as follows:-

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

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

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

- (a) signs which do not satisfy the requirements of section 1(1),*
- (b) trade marks which are devoid of any distinctive character,*
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,*
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade:*

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it."

40. Mr Bloch accepted that notwithstanding the decision of the Court of Appeal in Philips v

Remington [1999] RPC 809 and Back Flower Remedies [2000] RPC 513, there is uncertainty as to whether, as a matter of law, there is a category of marks which are to be deemed incapable of distinguishing and unregistrable, regardless of any evidence as to acquired distinctiveness. Both sides drew my attention to the following passage in the Opinion of Advocate General Jacobs in the Baby-Dry case before the European Court of Justice (ECJ) [2001] ETMR 75 :

“Moreover, I cannot envisage any circumstances in which, in practice, it might be important to determine whether more than on absolute ground might apply. In theory, since the proviso concerning acquired distinctiveness in Article 7(3) relates only to Article 7(1)(b) to (d) and not to Article 7(1)(a), it might be thought necessary to differentiate between, say, signs which are incapable of distinguishing and marks which are devoid of any distinctive character or composed entirely of descriptive elements. In practice, however, if acquired distinctiveness can be established then there must be an underlying capacity to distinguish; if not, the question is immaterial.”

41. The point was not expressly addressed in the Court’s judgement (reported at [2002] ETMR 3), although Advocate General Colomer has expressed a similar view in his Opinion in the Philips v Remington case C-299/99.
42. Whilst reserving Mars’ position, Mr Bloch did not feel the need to push the opponent’s case under Section 3(1)(a) independently of the case under Section 3(1)(b)-(d) and the proviso to section 3(1)..
43. I do not have to decide whether Section 3(1)(a) provides an independent basis for refusal. I will limit myself to the observation that if Section 3(1)(a) provides an independent ground for refusal, the number of signs likely to be caught by the provision alone is likely to be very small indeed. In the light of the proviso to Section 3(1), Section 3(1)(a) can only provide an independent ground for refusing those signs which are incapable of acquiring a distinctive character. With the power of modern advertising it will be very difficult to say that the public could not be educated to accept almost any sign as a trade mark. Accordingly, if Section 3(1)(a) has independent scope, it is likely to be limited to little more than the type of sign found in Bach Flower Remedies, where through a monopoly or market domination, the name of a category of goods becomes temporarily associated with one undertaking. This view would be consistent with Section 46(1)(c) of the Act, which provides for the revocation of a trade mark if it becomes the common name of the goods for which it is registered as a result of acts of the proprietor.
44. It is sufficient for the disposal of this aspect of the case for me to find that, if there is a category of marks independently excluded from registration by Section 3(1)(a) of the Act, TAKE A BREAK is not in it.

Section 3(1)(d)

45. There is no evidence that ‘Have a Break’ was in customary use in the trade in chocolate products, biscuits etc at the date of the application in 1995.

46. Mr Bloch pointed out that in the 1983 proceedings under the 1938 Act, Whitford J. found that manufacturers were using the word ‘break’ in association with their advertising to indicate to the public that the product was suitable for a snack during a break. Even if I were to accept that this was still the position in 1995 (and it seems likely that it was), the finding does not go to the whole of the mark HAVE A BREAK. Section 3(1)(d) is expressly directed at “*trade marks which consist exclusively of signs or indications which have become customary*” Mr Bloch suggested that it might be enough to show that ‘Break’ was in customary use and that “‘Have a’” was also in customary use, even if customary use of the combination could not be established. I doubt whether I need evidence to find that ‘Have a’ is in use in some combination or another in the trade in snack foods. However, the idea that such use should be considered cumulatively flies in the face of the longstanding doctrine, most recently repeated by the ECJ in Sabel v Puma [1998] RPC 219, that trade marks should be considered as a whole.

47. There is no evidence of customary use of ‘Have a break’ in the relevant trade. I therefore find that the Section 3(1)(d) ground fails.

Section 3(1)(c)

48. Mr Bloch relied upon the submission of Aldous QC (as he then was) in the previous 1938 Act opposition to the effect that “‘Have a break’” effectively describes the goods as being suitable for consumption at break times, which Whitford J. appears to have accepted (see page 230, lines 38-42). Mr Bloch submitted that the mark was composed exclusively of a phrase which may serve, in trade to designate the kind, intended purpose or other characteristics of the goods.

49. Mr Carr pointed out that the previous opposition had been decided under the old (pre-Directive) law. He argued that decisions under the old law should be treated with utmost caution in applying the new law, especially since the ECJ’s decision in Baby-Dry [2002] ETMR 3.

50. In that case the court observed that article 12 of the Regulation - equivalent to Section 11 of the Act - ensures that the rights conferred by a trade mark do not entitle the proprietor to prohibit a third party from using, in the course of trade, indications about characteristics of the goods or services, provided he uses them in accordance with honest practices in industrial or commercial matters. By contrasting article 12 with article 7(1) of the Regulation - equivalent to Section 3(1) of the Act - the court concluded that the purposes of the prohibition of purely descriptive signs is:-

“..... to prevent registration as trade marks of signs or indications which, because they are no different from the usual way of designating the relevant goods or services or their characteristics, could not fulfil the function of identifying the undertaking that markets them and are thus devoid of the distinctive character needed for that function.”

51. This approach appears to mark something of a departure from the approach to the assessment of distinctive character taken under the pre-existing national law (and indeed in the interpretation of the new law up until Baby-Dry) in which account was also taken of the public interest in preventing the registration of descriptive signs so that may be freely used by all. I therefore accept Mr Carr’s submission, that in determining whether the mark HAVE A BREAK is excluded from registration by Section 3(1)(c) of the Act, I should not feel constrained by the findings of Whitford J. under the old law.

52. According to the ECJ in Baby-Dry:

“The signs and indications referred to in Article 7(1)(c) of Regulation No 40/94 are thus only those which may serve in normal usage from a consumer’s point of view to designate, either directly or by reference to one of their essential characteristics, goods or services such as those in respect of which registration is sought.”

53. Mr Carr submitted that the words “Have a break” are not a normal means of designating any characteristic of chocolate confections or biscuits. He argued that, whilst the phrase may serve as an exhortation to take some time off, such an exhortation has no direct reference to any characteristic of the goods at issue, and presents only an ambiguous message to the consumer. In this connection, Mr Carr referred me to the judgement of the Court of First Instance (CFI) in Doublemint [2001] ETMR 58 (which I understand is currently under appeal to the ECJ), and a decision of Mr Christopher Floyd QC sitting as a Deputy High Court Judge in the case of David West v Fuller Smith and Turner Plc (25 January 2002). In both cases the ambiguity present in the trade marks Doublemint (for confectionery) and ESB (for beers) was found to be sufficient to exclude an objection on descriptiveness grounds.

54. Although the evidence establishes close connection between breaks and snack foods, I do not consider that the mark HAVE A BREAK (as a whole) is a normal way of designating any characteristic of the foods concerned. The Section 3(1)(c) objection fails accordingly.

Section 3(1)(b)

Independent Operation of Section 3(1)(b)

55. Mr Carr drew my attention to paragraph 16 of the deputy judge’s decision in West v Fuller. In the relevant paragraph, which is re-produced below, the deputy judge reviewed the recent decisions of the ECJ, particularly Baby-Dry and Doublemint, and concluded:

“From these authorities it is possible to discern the following principles:

- (i) Sections 3(1)(b)(c) and (d) are not designed to exclude from registration marks which merely possess an indirect descriptive connotation: the words “devoid of any” in subsection (b) and “exclusively” in (c) and (d) are to be given effect to;*
- (ii) The fact that some mental activity is necessary in order to discern a reference to the quality of a characteristic of the goods may assist in its registrability;*
- (iii) Uncertainty as to the precise nature of the reference to the quality or character of the goods will also assist;*
- (iv) Marks which can only refer directly to the quality or character of the goods: (BITTER for beer would be an example) must be refused registration. This is because such a mark does not “differ from the usual way of designating the goods or their characteristics” and because it may “serve in normal usage from the a consumer’s point of view to designate either directly or by reference to one of their essential characteristics” the relevant goods.”*

56. Mr Carr relied upon this judgement as support for the submission that any descriptive message in the words HAVE A BREAK was sufficiently ambiguous to avoid an objection under Section 3(1)(b) as well as (c).

57. Mr Bloch submitted that a finding against him under Section 3(1)(c) should not automatically result in a finding that HAVE A BREAK is also free from objection under Section 3(1)(b).

58. I believe that Mr Bloch is correct about this. The fact that a phrase is not a normal means of designating the goods or their characteristics does not necessarily mean that the phrase has any inherent trade mark character.

59. I note that a similar point has arisen before Mr G Hobbs QC acting as the Appointed Person in “Cycling IS.....” trade mark, SRIS O/561/01. Paragraphs 43 and 44 of Mr Hobbs’ decision are re-produced below:

“43. In paragraph 39 of its Judgment in Baby-Dry the ECJ states that a mark composed of signs or indication which may serve in normal usage from a consumer’s point of view to designate, either directly or by reference to one of their essential characteristics, goods or services as those in respect of which registration is sought:

“Should not be refused registration unless it comprises no other signs or indications and, in addition, the purely descriptive signs or indication of

which it is composed are not presented or configured in a manner that distinguishes the resultant whole from the usual way of designating the goods or services concerned or their essential characteristics.”

The Court went on to say in paragraph 40 of its Judgment that:

“Any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registrable as a trade mark”.

44. Taken out of context, these statements might be thought to indicate that signs which are wholly descriptive should, for that reason, be regarded as distinctive and therefore eligible for registration. However, I do not think that the Court can be taken to have adopted that position”

60. Mr Hobbs proceeded to give his reasons for this view, which are, in summary, that:

- (i) The court was not seized of any question directed to the provisions of Section 3(1)(b) (or its equivalent in the Regulation);
- (ii) If the only reason for an absence of distinctive character is pure descriptiveness, Section 3(1)(b) would be otiose;
- (iii) to hold that a sign must be regarded as distinctive if it is not wholly descriptive of the goods concerned, or their characteristics, would be contrary to everyday experience.

61. I believe that there is considerable force in these points. It is easy enough to think of examples of signs, such as colours and the appearance of the product itself, which although not wholly descriptive, nevertheless lack any inherent trade mark character. And even where words are concerned, it is not hard to think of phrases, such as PUTTING CUSTOMERS FIRST, in respect of (say) motor cars, that may not describe the goods or their characteristics (as opposed to the undertaking that markets them), but still lack any distinctive character as a trade mark. I do not therefore accept that the failure of the Section 3(1)(c) objection necessarily excludes the possibility of the Section 3(1)(b) objection succeeding.

Are Slogans to be Treated Differently to Other Marks?

62. Mr Carr also drew my attention to the case of Das Prinzip der Bequemlichkeit, T-138/00. This is another decision of the CFI. The mark translates into English as ‘The Principles of Comfort’ and it was applied for as a Community trade mark in respect of, inter alia, land

vehicles and furniture.

63. Mr Carr asked me to note, in particular, the court's findings at paragraph 44 of its judgement, that:

- (i) lack of distinctiveness cannot be found because of lack of imagination or of an additional element of originality; and
- (ii) it is not appropriate to apply to slogans criteria which are stricter than those applicable to other types of sign.

64. I accept Mr Carr's submission that distinctiveness cannot be denied simply because of a lack of originality. I also accept Mr Carr's submission that the criteria to be applied to the registrability of slogans should not be stricter than for other types of mark. The CFI has stated in several cases that the "criteria" to be applied to different categories of trade marks should be the same. In Henkel KGaA v OHIM [2002] ETMR 25 the court stated that:

"Article 7(1)(b) of Regulation No 40/94 does not distinguish between different categories of trade marks. The criteria for assessing the distinctive character of figurative marks consisting of the representation of the product itself are therefore no different from those applicable to other categories of trade marks."

However, it went on to observe that:

"Nevertheless, when those criteria are applied, account must be taken of the fact that the perception of the relevant section of the public is not necessarily the same in relation to a figurative mark consisting of a faithful representation of the product itself as it is in relation to a word mark or a figurative or three-dimensional mark not faithfully representing the product. Whilst the public is used to recognising the latter marks instantly as signs identifying the product, this is not necessarily so where the sign is indistinguishable from the appearance of the product itself."

65. This suggests that the CFI's reference to "criteria" in both the Henkel case and Das Prinzip der Bequemlichkeit (which I understand is also under appeal) is a reference to the legal criteria for protecting a trade mark, which the ECJ has recently re-affirmed in Merz & Krell GmbH & Co Case C-517/99 (4 October 2001), when it stated that:

"Signs or indications which are not capable of fulfilling the essential function of a trade mark cannot enjoy the protection conferred by registration" (paragraph 24).

The CFI's finding in Das Prinzip der Bequemlichkeit does not appear to be a finding of fact that consumers reaction to all categories of trade marks should be assumed to be the same. Consumers will be aware that slogans are commonly used in trade for purely advertising

purposes and may, therefore, not accept a slogan as an indication of trade source as readily as they would a traditional indication of trade source, such as word brands, logos and figurative marks.

66. Every case turns on its own facts. Whether a trade mark (whether it be a slogan or any other type of mark) is capable of fulfilling its essential function depends upon whether the mark has the capacity to function as a trade mark to consumers of the goods in question. The average consumer is deemed to be reasonably well informed reasonably observant and circumspect : Case C-342/97 Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV [1999] ETMR 10: but the average consumer's level of attention will vary from one product to another, and is unlikely to be particularly high when it comes to the selection of snack products.

Normal and Fair Use of the Mark

67. Mr Carr suggested that I contemplate the average consumer's reaction to the mark as a brand applied to the goods. There is no evidence that the applicant uses the mark in this way, or that it has any intention of doing so. Mr Carr accepted that the applicant's use as (part of) a supporting slogan should also be regarded as a normal and fair use of the sign as a trade mark (and I assume that the applicant would regard third party use in the same way), but for the purposes of assessing the inherent qualities of the mark, Mr Carr preferred me to focus on its notional use as a brand.

68. According to Kerly's Law of Trade Marks and Trade Names (13th Edition), the correct approach when determining relative grounds disputes is to consider normal and fair use of the applicant's mark, and in the absence of argument or evidence to the contrary, to regard the applicant's use as the paradigm case of use of the mark in a normal and fair manner.

69. I intend to assess the likely reaction of the average consumer to the mark on the basis of normal and fair use in advertising the goods, as well as use on packaging. It seems to me that where the mark in question is a slogan, it is at least as important to consider use of the trade mark in advertising as it is on packaging.

Conclusion

70. Mr Bloch submitted that there was a distinction between a mark like BABY-DRY and HAVE A BREAK, because whilst neither was original or imaginative, HAVE A BREAK was a common phrase which, unlike BABY-DRY, lacked the necessary signal to the consumer that it was a trade mark. In this connection, Mr Bloch pointed out that HAVE A BREAK could not be considered as a "lexical invention" or as exhibiting any "syntactically unusual juxtaposition" of words, as the court found to be the case with the trade mark BABY-DRY.

71. 'Break' is a word with a close association with snacks of the kind listed in the application

because, as the evidence shows, most consumers eat snacks during their breaks.

72. The applicant's mark is likely to be seen by the average consumer as an exhortation to 'have a break'. Mr Carr submitted that this had only an ambiguous message in respect of the goods at issue. I disagree. Distinctive character must be considered in relation to the goods for which registration is sought : Merz & Krell (paragraphs 29 and 30). Where the goods and an activity are closely associated with each other, an exhortation to undertake the activity will be readily understood by the average consumer as an exhortation to use the associated goods.

73. So, for example, an exhortation to "have a day in the country" will readily be taken as a purely promotional statement when it is used in the course of a promotion of picnic hampers. The purely promotional significance of the message would not be lost or rendered ambiguous by the fact that one can visit the countryside for purposes other than a picnic. Similarly, an exhortation to "Have a night out" will be readily understood in the context of a promotion of alcoholic drinks.

74. Likewise, I find that the mark HAVE A BREAK will be readily understood by consumers as an origin neutral invitation to consume a snack when it is used in the course of promoting a snack food product, whether the use is in an advertisement or on the packaging of the product. Consequently, I find that, prima facie, the words "Have a Break" have no trade mark character when considered in relation to the snack products listed in the application, and the mark is therefore excluded from registration by Section 3(1)(b) of the Act.

The Case for Registration based upon Acquired Distinctiveness

The Law

75. In the Windsurfing Chiemsee case [1999] ETMR 585, the ECJ ruled on the nature of the inquiry as to whether a mark has acquired a distinctive character under Article 3(3) of the Directive (Section 3(1) proviso). It held that the national courts may take into account evidence from a variety of sources, but a finding that the mark has come to denote the goods as coming from a particular undertaking must necessarily mean that the provisions of Article 3(3) are met. The Court held:

"In assessing the distinctive character of a mark in respect of which registration has been applied for, the following may also be taken into account: 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" (paragraph 51).

"If, on the basis of those factors, the competent authority finds that the relevant class

of persons, or at least a significant proportion thereof, identify the goods as originating from a particular undertaking because of the trade mark, it must hold that the requirement for registering the mark laid down in Article 3(3) of the Directive is satisfied” (paragraph 52).

76. The applicant’s evidence establishes that there has been substantial use over a long period of time of the phrase “Have a break, Have a Kit Kat”. I do not consider that it establishes any use of “Have a break” as an independent trade mark, at least prior to the relevant date. The closest the applicant’s evidence comes to establishing any independent use of HAVE A BREAK is in some of its later TV adverts where the phrase appears alongside the KIT KAT logo, but not as part of the phrase “Have a break.... Have a Kit Kat”. However, this phrase is spoken when the signs appear, which seems to me to dilute the effect of any use of “Have a break” outside the context of the well known slogan.

77. There is no evidence of “Have a break” being used as a conventional brand. This is not necessarily fatal to the applicant’s case. There is no rule that inherently non-distinctive supporting trade marks cannot acquire a distinctive character through use. However, as Mr Bloch pointed out, and I think Mr Carr accepted, one cannot just equate use with distinctiveness: Bach Flower Remedies [2000] RPC 513. This is particularly so where the sign in question is used in a supporting role to a highly distinctive trade mark : TREAT [1996] RPC 281. And must be even more so where the sign in question constitutes only part of the supporting mark.

78. Having made these general points there is no doubt in my mind that the applicant’s evidence (and indeed the opponent’s survey evidence) establishes that the phrase “Have a break, Have a Kit Kat” is very well known. I did not understand Mr Bloch to suggest otherwise. The dispute between the parties is about the nature of the association between the words HAVE A BREAK, and the well known confection called KIT KAT.

79. The applicant relies, to some extent, on the trade evidence of Mr Partington of Safeway. However, I do not consider that his evidence sheds much light on the nature of consumers association of “Have a break” with the well known confection branded as KIT KAT. Indeed I do not think that Mr Partington’s evidence sheds much light on the nature of his own association of these words with KIT KAT.

80. The applicant relies rather more heavily on the results of the public survey conducted on its behalf by Millward Brown Research Ltd. This is said to show that 50% of respondents shown a mock-up of a flattish chocolate bar bearing only the words HAVE A BREAK, associated the sign with KIT KAT.

81. Mr Bloch made a number of criticisms of this survey, the most significant being:

- (a) The way the words were presented in the picture shown to respondents

combined with the use of the word “brand” in the first question never gave respondents the chance to take the words HAVE A BREAK as anything other than a trade mark.

- (b) The shape of the chocolate confection shown resembled a KIT KAT, providing a second link to the desired answer; and
- (c) The exercise was artificial and made no attempt to simulate a real shopping experience.

82. I believe that there is some force in the first point. If one is trying to establish whether a sign is recognised as a trade mark, presenting it in a context in which it could not be taken as anything else is including the answer in the question. The confection shown to respondents resembles not only a KIT KAT but many other bars of chocolate. I therefore see little force in the second point; or the third: the same point could be made about virtually any survey evidence.

83. Mr Carr suggested that the results of the survey indicated that a significant proportion of the relevant class of persons would identify the goods as originating from a particular undertaking, namely the maker of KIT-KAT.

84. I do not accept that this is a fair interpretation of the results of the survey. According to the applicant’s own analysis of the results, most of the respondents that associated the picture shown to them with KIT KAT were only “reminded” of KIT KAT. And I believe that the real proportion that were simply “reminded” of KIT KAT was higher than the proportion stated (34% out of the 50% who made the association) because a number of the applicant’s other coded categories seem to amount to the same thing eg “It’s like KIT KAT advertising”. The applicant’s analysis, set out in Ms Gardiner’s evidence, does not even contain a code for those whose answers amounted to “thought it was made by the maker of KIT KAT”. I have been through the questionnaires completed at the time of the survey, which record respondents verbatim answers. Some of the answers suggest that the respondent may have thought that the HAVE A BREAK product came from the makers of KIT KAT, it is not possible to say that a significant proportion did.

85. It is clear from the ECJ’s judgements in Sabel BV v Puma AG [1998] RPC 224 and Marca Mode CV v Addidas AG & Others [2000] ETMR 723, that in assessing whether there is a likelihood of confusion between two trade marks., the mere fact that one mark brings the other to mind is not enough to constitute confusion, even where the earlier mark has a reputation with the public. By contrast, in Canon v MGM [1999] ETMR 1, the ECJ indicated that the sort of association that leads consumers to believe that the similarities between two trade marks are a sign that they are used by the same or an economically linked undertaking is sufficient to constitute a likelihood of confusion.

86. I believe that the same reasoning should be applied when determining whether a trade mark has acquired a distinctive character. When the court refers to the trade mark identifying “the goods as originating from a particular undertaking” in its judgement in Windsurfing Chiemsee, it means that the trade mark has come to foster a concrete expectation among consumers that the goods originate from one undertaking, not just that consumers may be caused to wonder whether or not this might be the case or simply be “reminded” of the undertaking concerned. A similar point is made in Kerly’s (13th Edition), paragraph 7-127 at page 189.

87. Mr Carr acknowledged in his skeleton argument that “*the value of surveys needs to be kept in perspective,*” and he pointed out that, in passing-off actions, the exercise is now used essentially as a witness gathering exercise.

88. In a passing-off action the claimant will be trying to show, inter alia, that a substantial number of persons either are, or likely to be, confused or deceived by the sign used by the defendant. In a case where an applicant is trying to establish that a significant proportion of the relevant public has been educated to perceive the applicant’s sign as a trade mark it is not enough to show that thirty witnesses hold that view, unless their view can be taken as representative of the views of a significant proportion of the relevant public : See Dualit Ltd’s Application [1999] RPC 899 at 900, lines 16-28.

89. Ms Cox gives evidence about how the thirty statutory declarations were obtained from respondents in the survey conducted on behalf of the applicant. Mr Bloch made the following criticisms of the approach taken:

- (a) The number of respondents followed up showed a bias in favour of those who had mentioned KIT KAT during the doorstep interviews (107) compared to those which did not (18), which did not reflect the statistical results of the survey;
- (b) There was a delay of several months between the survey and the follow up telephone interviews;
- (c) The declarations were drafted by Ms Cox on the basis of her notes of the telephone conversation rather than by the witnesses in their own words - although the witnesses had the chance to make corrections, only a few did and they would have tended to focus on what had been mis-attributed to them, rather than what may have been left out.

90. To illustrate his point, Mr Bloch referred me to the statutory declaration of Joan Ashworth. Ms Ashworth is the only one of the thirty witnesses giving direct evidence who did not mention KIT KAT during the doorstep survey. The form recording her verbatim answers in the survey states that when shown the picture of a mock-up of a chocolate bar bearing the

words HAVE A BREAK, her initial reading was simply “OK”. When prompted specifically about the brand name of the new product her reaction is recorded as having been “*Too similar, Break, All chocolates are called Break this and that.*” When asked why, she is said to have responded “*It’s too common. Try something different.*” After the follow up conversation with Ms Cox, during which she discovered the identity of the applicant, she made a declaration some nine months later in which she states:

“I remember thinking when I was originally shown the drawing that the design was similar to the chocolate biscuit Kit Kat. The words on the design Have A Break immediately bring to my mind the phrase Have A Break, Have a Kit Kat.

I occasionally eat Kit Kat and I would think that a new product called Have A Break had something to do with Kit Kat, as this phrase has been associated with Kit Kat for a long time.”

90. It seems to me that Ms Ashworth’s reaction to the design shown to her is expressed in notably different terms in her declaration compared to the responses attributed to her at the time of the survey. Although Mr Bloch criticised the survey as unrelated to a real shopping experience, it appears to me that someone’s first impression when shown a sign and asked for a reaction is likely to be a good deal closer to a real shopping experience than a declaration completed nine months later after conversation with an applicant’s trade mark attorney. That is not to say that Ms Ashworth did not mean what she said in her declaration at the time she completed it. I am less sure that this is a reliable indication of her first reaction to the design shown to her in the survey.

91. To this extent I believe that there is some force in Mr Bloch’s second and third criticisms of the way the evidence was obtained from individual respondents in the applicant’s survey. If individual respondents are to elaborate on the view they expressed in a survey of this kind it will often be more helpful if they do so in person at a hearing rather than through subsequent written evidence, particularly when it is drafted for them. That is not to suggest that such oral evidence will always be necessary (or available). This points to the need for surveys to be designed with particular care so that the respondents reactions are directed to the relevant matters without the use of unfair leading questions.

92. I do not believe that there is any force in Mr Bloch’s other criticism, that an artificially high proportion of those that mentioned KIT KAT were approached for further evidence. If one is seeking to tease out the nature of any “association” identified in a survey, it is natural to concentrate on those that made some sort of association.

93. I have been through the statutory declarations of all thirty declarants and I believe they indicate that:

- (a) Joan Ashworth, Amanda John, Susan Black, John Herrington, Brian

Woolerton, Caroline White, Joanne Meachem, Nicola Jarvis, Dennis Cox, Shirley Holloway, Tracey Knox, Carol Cox, Lisa Latchem. Kathleen Marshall and Olga Wright made statements which indicate that, at least by the time of their declarations, they believed the 'Have a Break' product would come from the maker of KIT KAT;

- (b) Lynn Gray, David Harris, June Bridge, Rebecca Gee, Brian Rudden, David Prewett, Jacqueline Lee and Paul Goodison, all made statements that indicate that whilst they "associate" 'Have a Break' with KIT KAT, they would not necessarily expect a product called HAVE A BREAK to originate from the makers of KIT KAT;
- (c) David Hayden, Janet Kendall, Peggy Turner, David Smith, Jill Pickering, Charles North and Eliza Smith made ambiguous statements which could mean they should be placed in one or the other of the above categories.

94. In assessing the extent to which I should regard these witnesses as representatives of the relevant public I must bear in mind Mr Bloch's justifiable criticism of the way the evidence was collected.

95. Further, I suspect that there would, to some extent, have been a process of self-selection which resulted in more of those with stronger views going on to make statutory declarations compared to the other people Ms Cox approached who, for one reason or another, did not do so.

96. Nevertheless, I believe that the evidence indicates that a proportion of the public would be likely to suppose that a chocolate bar called HAVE A BREAK originated from the makers of KIT KAT. On the evidence before me, I am unable to say that it is a significant proportion.

97. I have not found the opponent's various survey evidence to be of much assistance in determining this aspect of the case. I do not regard it as fatal to the applicant's case that no one asks for the KIT KAT product by the name 'Have A Break' or 'Have a break, Have a Kit Kat'. This will usually be the case with a slogan-type mark. Nor do I regard it as particularly significant that respondents did not recognise 'Have a Break' as a trade mark when it was 'buried' within question 'what do you eat when you have a break?'.

98. The key point is, in my judgement, that any expectation that has been shown to exist about the trade source of a product called 'Have a Break', arises not because of the use of the trade mark "Have a Break", but because of use of the trade mark "Have a break, Have a Kit Kat".

99. Carol Cox sums up the point well when she states in her evidence that:

“The slogan for Kit Kat has always been Have a Break, Have a Kit Kat and you therefore associate the words Have a Break with Kit Kat.”

No fewer than twenty six of the applicant’s thirty witnesses from the survey cite the phrase “Have a break, Have a Kit Kat” as a reason for their view that a product called “Have a Break” would originate from the makers of Kit Kat, including all but one of those witnesses that I have categorised as making statements to the effect that a “Have a Break” product would originate from the maker of KIT KAT.

100. The one witness in this category who does not place the phrase “Have a Break” in the context of the whole phrase is Amanda John. She recalls that as far back as she can think the phrase ‘Have a Break’ has been used on Kit Kat advertising. She recalls having seen the “Kit Kat Have a Break” advert on buses some fifteen years previously. Given that the applicant has been unable to provide evidence of use of ‘Have a Break’ other than as part of, or connected to, the slogan mark “Have a Break, Have a Kit Kat”, it seems likely that this is what Ms John had in mind when she refers to the use of the slogan ‘Have a Break’ in relation to Kit Kat.

101. The proviso to Section 3(1) states that registration shall not be refused where the mark *“has in fact acquired a distinctive character as a result of the use made of it”*. On the basis of my findings so far, whatever distinctive character HAVE A BREAK has acquired is as a result of the use, prior to the relevant date, of the slogan mark Have a Break, Have a Kit Kat.

102. The significance of this finding can best be appreciated by considering the scheme of the Act. Once a mark is registered, the proprietor received an exclusive right to use it in respect of the goods for which it is registered. In the case of an identical mark, the proprietor has an absolute right to prevent unauthorised registration or use of the mark by third parties, without having to establish a likelihood of confusion : Sections 5(1) and 10(1) refer. This is the umbra of protection afforded by registration.

103. In addition, Sections 5(2), 5(3), 10(2) and 10(3) provide a penumbra of protection which extends to the use and registration of similar marks and goods, where there exists a likelihood of confusion, and in some situations extends also to dissimilar goods.

104. The applicant’s evidence of use fails to establish any, or any material, use of HAVE A BREAK as an independent trade mark, at least prior to the date of the application. In these circumstances, the most the applicant’s evidence can establish is that HAVE A BREAK falls within the penumbra of protection afforded to the (already registered) trade mark HAVE A BREAK HAVE A KIT KAT. Even if the evidence establishes this, I do not believe that this is sufficient to justify the registration of HAVE A BREAK solus, thus creating a new umbra and penumbra of protection for that mark in the absence of any, or any material, use of it prior to the relevant date.

105. I have therefore come to the conclusion that the mark HAVE A BREAK has not been

shown to have acquired a distinctive character through use prior to the date of the application.

106. In the light of that finding, and my earlier finding that the mark is prima facie excluded from registration by Section 3(1)(b) of the Act, the opposition must succeed and the application be refused.

Costs

107. The application having failed, the opponent is entitled to a contribution towards its costs. I order the applicant to pay the opponent the sum of **£1300**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 31 Day of May 2002

**Allan James
For the Registrar**