

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NUMBER 2150607
IN THE NAME OF INLEX LOCKING LIMITED

AND IN THE MATTER OF AN APPLICATION FOR A DECLARATION OF
INVALIDITY UNDER NUMBER 12442 BY HENKEL KGAA

Introduction

1. This is an appeal to an Appointed Person against a decision of Mr. Landau, the Hearing Officer acting for the Registrar, dated the 19th August 2002. That decision was given in relation to an application by Henkel KGaA (“Henkel”) for a declaration of invalidity of trade mark registration No. 2150607 (“the Trade Mark”). The Trade Mark was registered in the name of Inlex Locking Limited (“Inlex”) as of 12 November 1997 and is described as follows:

"The mark comprises the colour red, a representation of which is on the form of application, as applied as a patch to a thread of a fastener, or the threaded shank of a component."

2. The Trade Mark proceeded to publication on the basis of distinctiveness acquired through use. It was registered in respect of the following specification of services in class 40:

"Applying prevailing torque, non-metallic locking compound to fasteners and the threaded shanks of components"

3. At the outset it may be helpful to explain that a patch is a deposit of a material, such as nylon, applied to a particular area of a screw thread. The patch tends to be thickest in the centre and “feather out” along the edges. Consequently, there is a gradual engagement of the locking patch as it encounters a mating thread and a gradual build up of locking torque. This in turn enforces a strong metal to metal contact between the thread flanks opposite to the locking patch and assists in preventing the screw from loosening under conditions of shock and vibration.

4. Before the Hearing Officer, Henkel contended that the registration should be declared invalid under section 47(1) of the Trade Marks Act 1994 (“the Act”) on a variety of grounds. The Hearing Officer rejected all of them, save for that raised under section 3(1)(b) of the Act. He accepted that ground of objection, found that the Registered Mark was devoid of any distinctive character and directed that it be declared invalid and removed from the Register. It is against that decision that Inlex appeals. On the appeal Henkel has not sought to rely upon any of the other grounds of objection rejected by the Hearing Officer.

The ground for invalidity

5. Section 47(1) of the Act states:

"The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), ... of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered."

6. In the present case there is no suggestion that the Trade Mark acquired a distinctive character after the date of registration. Accordingly it is necessary to consider section 3 of the Act which provides, so far as material:

"3-(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) ... 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."

7. On the 6th May 2003, the European Court of Justice gave judgment in case C-104/01 *Libertel Groep BV v. Benelux-Merkenbureau* [2003] ETMR 63. The Court was concerned with an application to register the colour orange for various telecommunications goods and services. It ruled:

"1. A colour *per se*, not spatially delimited, may, in respect of certain goods and services, have a distinctive character within the meaning of Art.3(1)(b) and Art.3 of First Council Directive 89/104/EEC of 21 December 1998 to approximate the laws of the Member States relating to trade marks, provided that, *inter alia*, it may be represented graphically in a way that is clear, precise, self-contained, equally accessible, intelligible, durable and objective. The latter condition cannot be satisfied merely by reproducing on paper the colour in question, but may be satisfied by designating that colour using an internationally recognised identification code.

2. In assessing the potential distinctiveness of a colour as a trade mark, regard must be had to the general interest in not unduly restricting the availability of colours for the other traders who offer for sale goods or services of the same type as those in respect of which registration is sought.

3. A colour *per se* may be found to possess distinctive character within the meaning of Art.3(1)(b) and Art.3 of Directive 89/104, provided that, as regards the perception of the relevant public, the mark is capable of identifying the product or services for which registration is sought as originating from a particular undertaking and distinguishing that product or service from those of other undertakings.

4. The fact that registration as a trade mark of a colour *per se* is sought for a large number of goods or services, or for a specific product or service or for a specific group of goods or services, is relevant, together with all the other circumstances of the particular case, to assessing both the distinctive character of the colour in respect of which registration is sought, and whether registration would run counter to the general interest in not unduly limiting the availability of colours for the other operators who offer for sale goods or services of the same type as those in respect of which registration is sought.

5. In assessing whether a trade mark has distinctive character within the meaning of Art.3(1)(b) and Art.3(3) of Directive 89/104, the competent authority for registering trade marks must carry out an examination by reference to the actual

situation, taking account of all the circumstances of the case and in particular any use which has been made of the mark.”

8. The Court emphasised that it is now settled case law that the essential function of a trade mark is to guarantee the identity of the origin of the marked goods or services to the consumer or end user by enabling him to distinguish those goods or services from others which have another origin. A trade mark must distinguish the goods or services concerned as originating from a particular undertaking. In making an assessment of whether or not a particular mark fulfils this function, regard must be had both to the ordinary use of trade marks as a badge of origin in the sector concerned and the perception of the relevant public. In this regard the Court explained:

"65. The perception of the relevant public is not necessarily the same in the case of a sign consisting of a colour *per se* as it is in the case of a word or figurative mark consisting of a sign that bears no relation to the appearance of the goods it denotes. While the public is accustomed to perceiving word or figurative marks instantly as signs identifying the commercial origin of the goods, the same is not necessarily true where the sign forms part of the look of the goods in respect of which registration of the sign is sought. Consumers are not in the habit of making assumptions about the origin of goods based on their colour or the colour of their packaging, in the absence of any graphic or word element, because as a rule a colour *per se* is not, in current commercial practice, used as a means of identification. A colour *per se* is not normally inherently capable of distinguishing the goods of a particular undertaking.

66. In the case of a colour *per se*, distinctiveness without any prior use is inconceivable save in exceptional circumstances, and particularly where the number of goods or services for which the mark is claimed is very restricted and the relevant market very specific.”

9. The Court was concerned specifically with an application to register a colour *per se* as a trade mark. Nevertheless, I believe that the reasoning of the Court is relevant to the present case.

The background

10. In resisting the application Inlex relied upon the evidence of Mr Lucking of Forrester Ketley & Co, their trade mark agents. He exhibited three

declarations relied upon by Inlex in support of the original trade mark application: a declaration of Mr Bliss, the Group Sales Director of Inlex; a declaration of Mr Tuff, of European Industrial Services Limited (“EIS”), a company trading in fasteners; and a declaration of Mr McKendrick, Managing Director of GKS Automotive Limited (“GKS”), another company in the fastener industry.

11. Mr Bliss explained that Inlex came to use the colour red in the following way. In September 1970 GKN Bolts & Nuts Limited entered into a licence agreement with an American company called Amerace Esna Corporation to make and use certain patented patches in the United Kingdom. The licence also included the right to use the trade mark ESLOK in connection with the products and related service of providing them. The colour of the product was not specified, but apparently each licensee, of which there were several, chose a different colour. GKN Bolts & Nuts Limited chose the colour red, which they used from the outset in relation to patches applied under the ESLOK mark. In 1979 that business was transferred to another company in the GKN Group, GKN Ionic Plating Co. Ltd. This company subsequently underwent a management buy out and became known as Ionic Plating Company Limited. Subsequently the business and licence were assigned to Inlex. The colour red was used continuously by Inlex and its predecessors in business from 1970 to the date of the application.
12. It is apparent, however, that Inlex did not solely use the colour red. It used the colour red in relation to a particular product sold under the ESLOK mark made of nylon. It used a colour described as “purple red” in relation to a product sold under the ESLOK mark made of another material called “molybdenum nylon”. It seems that it also used the colour green in relation to yet another locking system known as POLY-LOK, made of polyester.
13. A variety of colours was also used by other suppliers in relation to different systems. So, for example, a company called PSM International apparently used the colour blue in relation to a locking system called TUF-LOK utilising a nylon patch and a business called Alston Engineers used the colour yellow in

relation to another nylon patching system known as ANU-LOK. A number of other products were sold under a variety of colours, as I elaborate further below.

The decision of the Hearing officer

14. The Hearing Officer found that the Trade Mark was devoid of any distinctive character because, in the absence of use, it could not act as an indicator of origin. Accordingly he turned to consider the proviso and whether, before the date of the application, the Trade Mark had in fact acquired a distinctive character as a result of the use made of it.

15. The Hearing Officer reviewed all of the evidence before him and reached the conclusion that the Trade Mark had not acquired a distinctive character for essentially the following reasons:
 - (a) Inlex used different colours for different patches. This was likely to lead consumers to understand that the colour denoted the nature of the patch rather than an indication of Inlex as the business that had applied it.
 - (b) The use of bright colours was common in the trade. They were used so that the patches to which they were applied could readily be seen.
 - (c) There was no clear identification in the evidence that the red which was referred to in the promotional material used by Inlex was the same red as that the subject of the registration.
 - (d) At least one other enterprise used the colour red for exactly the same patches.
 - (e) The evidence linked the colour red with the trade mark ESLOK far more than with Inlex.

The appeal

16. Each of the points relied upon by the Hearing Officer was criticised on behalf of Inlex. It was argued that he misunderstood the evidence and that his conclusions were erroneous. In addition I was referred to a number of cases including *Dualit Ltd's (Toaster Shape) Trade Mark Applications* [1999] RPC 890 and Case R 122/1998-3, *Light Green*, a decision of the OHIM Third

Board of Appeal, dated 18th December 1998. To my mind these authorities do not provide any further assistance in the context of the present case beyond that afforded by the decision of the Court of Justice in *Libertel*. They establish that the tribunal must make an overall assessment of the evidence that the mark has come to identify the product or services concerned as originating from a particular undertaking. That assessment must be made in the light of all the circumstances of the particular case.

17. I turn then to consider the criticisms made of the findings of the Hearing Officer. I believe that a number of those criticisms are justified. First, there is, I believe, clear evidence that Ionic used in their promotional materials the red colour which is the subject of the registration. Mr. Bliss annexed various promotional leaflets to his original declaration as exhibit AAB1. A number of those make use of the colour red to promote the nylon ESLOK products. The shade of red used in those brochures is, to my eye, indistinguishable from that the subject of the registration. Accordingly I am unable to agree with point (c) of the Hearing Officer's reasoning.

18. Secondly, I believe the Hearing Officer fell into error in concluding, at point (d), that at least one other enterprise used the colour red for exactly the same product. It seems clear that the Hearing Officer here had in mind a leaflet entitled IONIC which was referred to by a Mr Dodwell on behalf of Henkel. This leaflet formed part of his exhibit AD6 which consisted of extracts from the file history of the application for the Trade Mark. It was not, however, part of the evidence exhibited by Mr. Lucking on behalf of Inlex. As to this, the Hearing Officer said, in paragraph 15 of his decision:

"IONIC is an enterprise that applies patches to fasteners, very much as Inlex does. It even applies the same product ESLOK which Inlex does and applies it in the same colour – red. In this leaflet the following is stated:

“As the fastener is screwed into the mating part, the red **Eslok®** nylon patch ”

The leaflet also states that there is easy identification by colour for inspection purposes.”

19. Later, in paragraph 59 of his decision, the Hearing Officer said:

"One of the most interesting documents in relation to the issues before me is the IONIC leaflet. No doubt as a result of an oversight or error Inlex did not reproduce this leaflet when the evidence of Mr. Lucking was adduced into these proceedings. IONIC apply the same product, ESLOK, using the same colour red. If at least one other licensee is applying the same product using the same colour what does this say about the ability, simply through the colour, to identify the processor? It is also to be noted that the IONIC exhibit seems to contradict the statement of Mr. Bliss that each undertaking licensed to use the ESLOK trade mark chose a different colour. This exhibit, which it is to be remembered was originally that of Inlex, also contradicts the claim in the counterstatement that no one else uses the colour red in relation to the relevant service. It shows that another undertaking uses the colour red in relation to exactly the same service applying exactly the same product."

20. In making these observations the Hearing Officer has apparently taken no account of the evidence given by Mr. Bliss as to the history of the Inlex business which I have summarised above. I believe it is tolerably clear from that evidence that the Ionic business was not a separate one to that of Inlex. On the contrary, Inlex acquired the Ionic business from Ionic Plating Co. Ltd. which in turn had acquired it from the founder, GKN Bolts & Nuts Limited. Accordingly I believe the Hearing Officer fell into error in concluding that at least one other licensee was using the same colour red in relation to the same patches.
21. In the light of the fact that these matters evidently formed an important part of the reasoning of the Hearing Officer, I have reviewed all of the evidence before him. Having done so, I believe the Hearing Officer ultimately came to the right conclusion for all the following reasons.
22. First, I agree with the Hearing Officer that the sign in issue is, absent use, devoid of any distinctive character. I do not think it is the sort of sign which can do the job of distinguishing without first educating the public that it is a trade mark. Although not a colour *per se*, it does comprise the colour red applied to the whole of a patch. It thus forms part of the look of the goods and would not naturally be taken as a means of identification of the source

which has applied such a patch. I must therefore go on to make an assessment of the evidence that, by the date of the application, the sign had come to distinguish the services of Inlex from those of other undertakings. In making this assessment, I believe, in the light of *Libertel*, that regard must be had to the general interest in not unduly restricting the availability of colours for other traders who offer for sale services of the same type as those the subject of the Trade Mark.

23. Secondly, I believe that much of the evidence of the use of the colour red indicates that insofar as it was recognised by the date of the application, it denoted that a particular sort of patch, a nylon prevailing torque patch, had been applied. The evidence does not, to my mind, establish that the colour denoted that a particular business, namely that of Inlex, was responsible for applying it. In this respect I am in agreement with points (a) and (e) relied upon by the Hearing Officer.

24. Mr. Bliss of Inlex explained in paragraph 6 of his statutory declaration that “the red ESLOK patch has become well known in the industry and is often referred to by its colour.” His exhibit 1 comprised a variety of promotional materials which emphasised that the colour red denoted the ESLOK patch comprising a “carefully calculated deposit of red nylon, applied to a dimensionally controlled area of screw threads, to provide a permanent locking and sealing device” and a “red nylon locking patch”. Considered as a whole I do not believe that these materials establish that the colour red denoted the business responsible for applying the patch. On the contrary, I believe these materials are suggestive that red denoted that the patch was a nylon torque patch. Similarly his exhibit 3 comprised a Rover Engineering Standard issued in 1993. This refers to three approved systems, first ESLOK made of nylon, applied by Inlex and coloured red; secondly POLY-LOK made of polyester, supplied by Inlex and coloured green and finally TUF-LOK, made of nylon supplied by PSM and coloured blue. Again, I believe that this is consistent with the colour denoting the system and its material type rather than the business which had applied it.

25. Mr Tuff of EIS gave evidence on behalf of Inlex which points, in my judgment, to the same conclusions. Mr. Tuff explained that his company imported and sold fasteners which were often supplied with a patch applied to the threads. That work was subcontracted by EIS. Mr. Tuff further explained that his suppliers all used different colours to identify them as the patch applicator and that “in general our customers know who has applied a particular colour patch to our products, by the colour of the patch”. But in support of this evidence, he exhibited a promotional leaflet containing a chart comparing the properties of various patches. The chart indicates that the colour red denoted a 180°C ESLOK patch made of nylon, the colour “purple red” a 360°C ESLOK patch made of molybdenum nylon, the colour green a STRIPSERT patch made of nylon 66, the colour blue a STRIPSERT patch made of fluorocarbon, the colour copper a STRIPSERT patch made of copper and the colours black and green a T-SERT patch made of nylon. I believe that this chart suggests that the different colours denoted different kinds of patch. Similarly the other promotional materials which he annexed suggest that other kinds of patch had yet other colours: the ANU-LOK patch was made of nylon 11 and coloured yellow and the TUF-LOK patch was coloured blue.
26. Mr. McKendrick, the Managing Director of GKS, explained that GKS was another business involved in the fastener industry. He indicated that the colouring of patches was important because it facilitated the identification of the patching company. He also explained that “the two most common patches in use, which are readily recognisable are the red “Eslok” patches supplied by Inlex and the blue “Tufloc” patches supplied by Tufloc”. I accept that the colour red in relation to a patch indicated to this particular customer that the patch had been applied by Inlex but this evidence does not, in my view, establish that the same applied to the industry as a whole.
27. Thirdly, I believe there is some force in the further aspect of point (a) relied upon by the Hearing Officer, namely that Inlex used different colours for different patches. It is apparent from the various exhibits annexed to evidence before the Hearing Officer that Inlex supplied a variety of different patches in

different colours. So, for example, they supplied ESLOK patches in red and purple red, depending upon the nature of the material from which the patch was made. They also supplied a POLY-LOK patch in green. It seems that they, or at least their predecessors Ionic, supplied still more patches in a variety of colours. This is apparent from the IONIC brochure to which I have referred earlier. This identified the IONIC DRI LOC system as being coloured purple or green and the DRI SEAL system as being light blue. To my mind all of this again is strongly suggestive that the colour denoted the nature of the patch rather than the undertaking which had applied it.

28. For all of these reasons I have come to the conclusion that the Hearing Officer was right to decide on the evidence before him that the Trade Mark had not in fact acquired a character which made it distinctive of Inlex as a result of the use made of it. The use of bright colours is clearly common to this trade and the evidence as a whole suggests that those colours are used to denote the nature of the patches applied.
29. There is a further matter which also leads to the same conclusion, albeit I have not felt it necessary to rely upon it. In *Libertel*, the Court of Justice determined in relation to an application for registration of a colour *per se* that it may have a distinctive character within the meaning of Article 3(1)(b) of the Directive provided that, *inter alia*, it may be represented graphically in a way that is clear, precise, self-contained, equally accessible, intelligible, durable and objective. This condition cannot be satisfied merely by reproducing on paper the colour in question but may be satisfied by designating that colour using an internationally recognised identification code.
30. As the judgment makes clear, it was concerned only with marks consisting of a colour alone. The reasoning behind the ruling was that the reproduction of a colour on paper may deteriorate with time. It seems to me that the reasoning is equally applicable to the present circumstances where the mark consists of the colour red, as shown on the form of application, applied to the whole of a patch. Accordingly, and had it been necessary, I would have concluded that

the Trade Mark did not have a distinctive character within the meaning of section 3 for this further reason.

31. In all the circumstances, the appeal must be dismissed. The Hearing Officer ordered Inlex to pay to the Applicant the sum of £1,450. In determining an appropriate award of costs, I must take this into account and also the costs incurred by Henkel in successfully resisting an application by Inlex to adduce further evidence on this appeal. I reserved the costs of that further application to this appeal. In all the circumstances I direct that Inlex pay to Henkel the sum of £1,650, in addition to the sum awarded by the Hearing Officer and to be paid on a like basis.

David Kitchin QC

23rd March 2004

Mr D.J. Lucking of Forrester Ketley & Co. appeared on behalf of the Appellant/
Registered Proprietor.

Mrs J. Goodchild of W.P. Thompson & Co. appeared on behalf of the
Respondent/Applicant.