## O-270-04

1	THE	PATENT OFFICE
2		Harmsworth House,
3		13-15 Bouverie Street, London EC4Y 3DP.
4		Monday, 26th July 2004.
5		Before:
6		MR. RICHARD ARNOLD QC
7		(Sitting as the Appointed Person)
/		
8		IN THE MATTER OF: The Trade Marks Act 1994
9		IN THE MATTER OF. THE TRACE MAINS ACC 1994
10		and
11		IN THE MATTER OF: UK Trade Mark Application No. 2,304,053 in the name of Robert McBride Limited
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13		and
14		IN THE MATTER OF: Opposition No. 91255 by Reckitt Benckiser (UK) Ltd
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16		Appeal from the decision of Mr. D.W. Landau, acting on behalf of the Registrar, dated 15th April 2004.
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19	MR.	JAMES MELLOR (instructed by Marks & Clerk) appeared on behalf of the Applicant/Appellant.
20		MICHAEL EDENBOROUGH (instructed by Alexander Ramage Assoc.)
21		appeared on behalf of the Opponent/Respondent.
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23		DECISION
		(As approved by the Appointed Person)
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THE APPOINTED PERSON: On 22nd June 2002 Robert McBride Limited applied to register a trade mark in respect of the following specification of goods: "Preparations for perfuming the atmosphere; preparations for perfuming fabrics, wall and floor surfaces and textile articles; insecticides; air freshening preparations; air purifying preparations; preparations for neutralising odours in fabrics, wall and floor surfaces and textile articles" in Classes 3 and 5 respectively.

The mark that was sought to be protected by that application was described in a covering letter from the Applicant's trade mark attorneys dated 21st June 2002 as "Hexagon 2D mark".

The box in form TM3 numbered 4, which contains the legend "If the mark is not a word or picture indicate here (for example 3-dimensional)" was left empty.

Box 2 entitled "Representation of the mark" had typed within it the words "See representation attached". The representation attached is what I will describe as a picture of a "thing", to use a neutral word, which has a hexagonal outline and various details within it, which I do not need to go into for present purposes.

The application was accepted and advertised and, in due course, was opposed by Reckitt Benckiser (UK) Limited on 21st November 2002.

In the Statement of Grounds of Opposition, the Opponent pleaded at paragraph 7: "The Applicant is the Opponent in opposition No. 90530 to application No. 2287388 and opposition No. 90538 to application No. 2287359. In evidence in these oppositions, Applicant filed a statement by its trade mark agent to which was exhibited an example of a container or dispenser for an air freshener marketed by the Applicant. The Applicant's Mark is a two dimensional representation of the said container which was part of the Exhibits marked 'Exhibit KLH4' of the two Witness Statements of Keith Leonard Hodkinson, both dated 27th September 2002 filed in the said oppositions. In his Witness Statement, Mr. Hodkinson refers to the said container as 'a crystal like container'".

In its Counterstatement, the Applicant pleaded in response to that paragraph: "Paragraph 7 of the statement of grounds of opposition is admitted insofar as concerns the first and third sentences thereof. The second sentence thereof is not admitted."

So the Applicant, therefore, admitted that the Applicant's mark was a two-dimensional representation of a container or dispenser for an air freshener which it marketed.

Returning to the Statement of Grounds of Opposition, at paragraph 11, the Opponent pleaded as follows: "The

Applicant's Mark represents a three-dimensional container or air freshening product sold by the Applicant. Applicant's Mark was represented on the application form as a two dimensional drawing or label. The Applicant does not use the Applicant's Mark as a trade mark, either at all or as represented on the application, namely as a two dimensional badge of origin. The Opponent contends that the applicant has no bona fide intention that the Applicant's Mark should be so used. On the contrary, the Applicant uses the Applicant's Mark in the form of a container and acknowledges it to be so, as outlined in paragraph 7 hereof. In the premises the Opponent contends that the application has been made in bad faith to the extent that the Applicant acted in bad faith by stating through its agent, that the applicant's Mark is being used in relation to the goods sought to be registered, or that the Applicant has a bona fide intention that it should be so used, pursuant to Section 32(3) of the Act. In the premises the Applicant's Mark should be refused under the provisions of Section 3(6) of the Act."

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To that the Opponent responded on its Counterstatement with a general denial.

The matter came on for hearing before the Hearing Officer, Mr. Landau, acting for the Registrar on 30th March, 2004, and it is material to record that in the run-up to that hearing the Opponent filed a short witness statement of

Benjamin Alexander Ramage, dated 19th March 2004, which simply produced a copy of the Form TM3 that had been filed by the Applicant and the covering letter from their trade mark attorneys. That evidence was admitted without objection under Rule 13(11) at the hearing before the Hearing Officer.

In his Decision, the Hearing Officer considered and rejected certain relative grounds of opposition that had been advanced by the Opponent. He then turned to consider the objection under section 3(6). He directed himself in accordance with the well-known statement by Lindsay J. in Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd [1999] RPC 167. He also referred to a decision of Mr. David Kitchin QC, sitting as the appointed person in Ferrero SpA and Soremartec SA v. Soldan Holding & Bonbonspezialitaten GmbH BL 0/279/03. He also referred to a couple of other cases.

The upshot was that he found the allegation of bad faith made out. His reasoning, in essence, was, as I read it, that it was correct that McBride had no bona fide intention to use the trade mark as filed, as required by section 32(3) of the Act, and consequently the application was made in bad faith within the meaning of section 3(6) of the Act because it was, essentially, common ground that the mark applied for was two-dimensional, whereas he held that McBride's actual intention was to use a three-dimensional

trade mark. In those circumstances, he held that there was no bona fide intention to use the two-dimensional trade mark applied for as opposed to something in three dimensions.

In the course of reaching that conclusion, he dealt with certain submissions which had been advanced by Mr. Mellor, appearing on behalf of the Applicant, and in particular, at paragraph 51, he dealt with a submission that "there was no real difference between the application having been for a two-dimensional form rather than a three dimensional form". I refer to the first sentence of paragraph 51 of his Decision.

In that context he referred to Philips Electronics NV v. Remington Consumer Products Ltd (No.1) [1998] ETMR 124 and the decision of the European Court of Justice in case C-273/00, namely, Sieckmann v Deutsches Patent- Und Markenamt [2003] RPC 38. Having quoted a portion of the European Court's Judgment, he said in the last paragraph on page 18 of the Decision: "If this trade mark is supposed to tell the competent authority or other economic operators that it is the goods, it markedly fails so to do. The representation does not do it and more importantly the absence of a claim to three dimensionality tells these persons that it is not the goods. As Mr. Edenborough submitted there are advantages in applying for a trade mark as a two dimensional form, it militates against objection or opposition under section 3(2)

of the Act. I would add that it can also allow a trade mark to pass under the radar and avoid possible challenge under sections 3(1)(b) and/or (c) of the Act."

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The Applicant, on 12th May 2004, filed an appeal to the Appointed Person against Mr. Landau's decision in which, in the Statement of Grounds of Appeal, the Applicant contends that the Hearing Officer was wrong to make a finding of bad faith in the circumstances of this case. Summarising, in essence. The Applicant makes two basic points. Firstly, that the sale of the product in question does in fact constitute use of the mark applied for. So far as that submission is concerned, it is accepted by Mr. Mellor that further evidence that is sought to be adduced, to which I will come in a moment, is not material, but in the alternative the Applicant contends that even if the sale of the product does not constitute use of the mark applied for, nevertheless, this is not a case that can properly be described as an application made in bad faith. At worst, it is said that it constitutes a misjudgment on the part of the Applicant's trade mark attorneys. It is to that second point that the further evidence which is sought to be adduced is directed.

The further evidence which is sought to be adduced is a witness statement of Keith Leonard Hodkinson, who is a partner in the firm of Marks & Clerk, the Applicant's trade mark attorneys. He had the conduct of the application in

question. In his statement he sets out the considerations that he had in mind when filing the application, but in particular the reason why it was filed as a two-dimensional mark rather than a three-dimensional mark. He says that he took that decision on two grounds, and I quote from paragraphs 4 and 5 of his statement:

"Firstly, in my view the distinctive feature of the product was the surface declaration, visible on the face of the product. I did not consider the hexagonal outline shape or configuration of the plastic liquid container to be distinctive, merely its front face. Its front face was akin to a label. Whilst not entirely flat, the pattern and ornament forming the face were substantially planar surface decoration. It would have been materially the same on any container, whether hexagonal or, for instance, circular in outline. It was that feature which I wished to protect, not the overall shape. It was that feature which, in my view, gave distinctiveness to the mark.

"Secondly, it was my understanding that the product was in use, to be sold in a cardboard packaging and visible only through a transparent plastic window in the front of that packaging. All that the consumer would see when purchasing the product was the front face, not the entirety of the container. What was therefore material to the decision to buy was the surface decoration visible through the window.

Competitor products were also sold in such packaging, as the evidence put forward by the Opponent itself confirmed."

Having given that evidence, he then went on to deal with why evidence had not been filed during the course of the proceedings in the Trade Marks Registry, which he says was based on an evaluation of the pleadings and the evidence of the Opponent. He then goes on in paragraphs 9 and 10 of his statement to deal with the objection under section 3(6) of the Act. I will quote selectively from those two paragraphs.

Paragraph 9: "As to the grounds under s.3(6), it was my understanding that no one disputed the product itself had been offered or was to be sold...and it never occurred to me that the Hearing Officer would reach a view that the representation shown on the Form TM3 was other than a representation of a two dimensional pattern of surface decoration since, had I intended to present a 3 dimensional object for registration, I would indeed have represented its three dimensional features."

Paragraph 10: "It was only upon reading the decision of the Hearing Officer that the argument to the effect that my two dimensional application was really a three dimensional mark 'masquerading' or misrepresented as a two dimensional mark came through."

He says that there was simply no intention to try to represent the goods or to misrepresent the mark. "I was

seeking to protect the distinctive pattern on the face of the container which is in my view properly regarded as a device."

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Turning to the principles to be applied on an application of this nature, it was common ground between counsel that these were to be found in the recent decision of the Court of Appeal in DU PONT Trade Mark [2004] F.S.R.15. It is common ground between counsel that I am not, in this jurisdiction, bound by the Civil Procedure Rules, but nevertheless I should direct myself by analogy with those rules and with the case law thereunder. I can pick it up in the Judgment of May LJ beginning at paragraph 95, where he says this: "As to fresh evidence, under r.52.11(2) on an appeal by way of review the court will not receive evidence which was not before the court unless it orders otherwise. There is an obligation on the parties to bring forward all the evidence on which they intend to rely before the lower court, and failure to do this does not normally result in indulgence by the appeal court. The principles on which the appeal court will admit fresh evidence under this provision are now well understood and do not require elaboration here. They may be found, for instance, in the judgment of Hale L.J. in Hertfordshire Investments Ltd v. Bubb [2000] 1 W.L.R. 2318 at 2325D-H. Rule 52.11(2) also applies to appeals by way of rehearing under r.52.11(1)(b), so that decisions on fresh evidence do not depend on whether the appeal is by way of

1 review or rehearing."

He returns to the matter in the context of consideration of the position under section 18 of the Trade Marks Act 1938 at paragraphs 100 and following. In paragraph 100 May LJ. refers to the decision of Laddie J. in Hunt-Wesson Inc's Trade Mark Application [1996] R.P.C. 233. In paragraph 101 he refers to a decision of Sir Richard Scott V.C., as he then was in CLUB EUROPE Trade Mark.

In paragraph 102 he comes back to r.52.11(2), and refers again to the judgment of Hale L.J. in Hertfordshire Investments Ltd v. Bubb, and also picks up a statement by Morritt L.J. in Banks v. Cox (unreported, Court of Appeal, 17th July 2000), in which his Lordship concluded that "the principles remain the same but the Court is freed from the straight-jacket of so-called rules". Morritt L.J. comments: "Sir Richard Scott had used the same expression in the CLUB EUROPE case, and this, in my view, indicates a smooth transition for trade mark appeals from RSC Order 55 to Pt.52.11(2)."

His Lordship then went on to consider the judgment of Pumfrey J. in in WUNDERKIND Trade Mark [2002] R.P.C. 45. At the end of paragraph 103, he said: "Sir Richard Scott's decision in CLUB EUROPE does not appear to have been drawn to Pumfrey J.'s attention. However that may be, Pumfrey J. in my view correctly summarised the position in para.[57] Of his

judgment, where he said:

"'There is no doubt that in a trade mark appeal other factors outside the Ladd v. Marshall criteria may well be relevant. Thus in my judgment it is legitimate to take into account such factors as those enumerated by Laddie J. in Hunt-Wesson, provided always that it is remember that the factors set out in Ladd v. Marshall are basic to the exercise of the discretion to admit fresh evidence and that those factors have peculiar weight when considering whether or not the overriding objective is to be furthered.'"

In paragraph 104, May L.J. says: "This passage, in my view, properly recognises that the same principles apply in trade mark appeals as in any other appeal to which Pt 52 applies; but that the nature of such appeals may give rise to particular application of those principles appropriate to the subject matter."

My conclusion from that authority is that the principles applicable to the exercise of my discretion are, in summary, as follows. Firstly, that the factors set out in Ladd v. Marshall remain basic to the exercise of the discretion. Secondly, that Ladd v. Marshall is no longer a straight jacket. On the contrary, the matter is to be looked at in the round to see that the overriding objective is furthered. Thirdly, that in the particular context of trade mark appeals the additional factors set out in Hunt-Wesson

may be relevant.

Turning, then, to the present application, it follows from my analysis of DU PONT Trade Mark that the first matter to be considered is whether the evidence could and should have been obtained earlier. So far as this factor is concerned, the essential submission of Mr. Mellor was that the reason why the evidence sought to be adduced was not adduced before the Trade Marks Registry was that the Applicant had been taken by surprise by a mutation in the argument being presented against it. The pleaded argument against it was that there was no intention to use the mark applied for. Thus, accordingly, there was a materially false statement having regard to section 32(3) of the Act leading to a conclusion of bad faith under section 3(6).

He submitted that what the Applicant was faced with at the hearing before the Hearing Officer and in the Hearing Officer's reasoning in his Decision was a somewhat different allegation falling into two parts; firstly, a deliberate and conscious decision to file an application for a two dimensional mark rather than a three dimensional mark, as to which he accepted there is no dispute, but then, secondly, a deliberate and conscious decision to avoid the application of the restrictions on registrability contained in section 3(2) of the Act and to "pass under the radar" to use the Hearing Officer's words in paragraph 51 of his Decision, with regard

to the objections under section 3(1)(b) and/or (c) of the Act.

He submitted that that change in the nature of the case, at any rate, as perceived by the Applicant, took the Applicant by surprise, had not been clearly foreshadowed in the Statement of Grounds of Opposition and that, therefore, the Applicant's failure to adduce the evidence of Mr. Hodkinson in the Trade Marks Registry was understandable and excusable.

Mr. Edenborough, for the Respondent, argued against that, that there had been no substantial change in the allegation that was relied upon, that from beginning to end the case was that the mark applied for was not intended to be used and that, on the contrary, what was intended to be used was the product itself.

My conclusion is that there was no substantial change in the nature of the case which the Applicant had to face. The Statement of Grounds of Opposition clearly set out, in my view, that the substance of the objection was that the mark sought to be registered was a two dimensional drawing or label which, albeit it was a representation of the product sold by the Applicant, was not intended to be used by the Applicant, because what the Applicant actually intended to use was the product itself.

It seems to me that the comments made by the Hearing

Officer in paragraph 51 of his Decision about section 3(2) of the Act and section 3(1)(b) and/or (c) of the Act were directed to the submission that was made to him that there was no real difference between the application having been for a two dimensional form rather than a three dimensional form. He was saying that there was indeed a difference of substance between an application for a two dimensional mark and an application for a three dimensional mark. In my view, that is clear not only from its context in paragraph 51, which opens with the sentence I quoted earlier, but also from what the Hearing Officer says in the immediately following paragraph, paragraph 52, where he says: "I just don't buy Mr. Mellor's argument that there is neither any great difference between applying for the trade mark as a two dimensional trade mark rather than a three dimensional trade mark. Nor do I buy the submission that men of business do not understand the difference between two dimensional and three dimensional."

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I turn to the second factor which is whether the evidence is likely to have an important influence on the outcome of the appeal. So far as this is concerned,

Mr. Mellor argues that on the second of the two issues that I identified earlier, Mr. Hodkinson's evidence is important because it makes it clear, he submits, that at worst this was a case of misjudgment and it could not possibly be said,

having regard to his evidence, that the Applicant was acting in bad faith.

Mr. Edenborough submits that the evidence is, essentially, irrelevant and, therefore, unlikely to have an important influence on the outcome because, he submits, it does not really address the fundamental question of whether the Applicant has any bona fide intention to use the mark applied for two dimensionally as opposed to simply selling the product.

So far as this factor is concerned, it seems to me that Mr. Hodkinson's evidence is relevant because it certainly does shed light on the Applicant's reasoning in having elected to file an application for a two dimensional mark.

Whether it would have an important influence on the outcome of the appeal, however, I have some doubt because it seems to me that much of what Mr. Hodkinson says by way of evidence would in fact be open to the Applicant by way of submission, anyway. Indeed, not only would it be open to the Applicant, but to a large extent those arguments were indeed made before the Hearing Officer.

The question of whether it can properly be said that an applicant, acting on professional advice, who files an application for a two dimensional mark, is acting in bad faith because he actually intends to sell the product, and takes the view, wrongly upon this assumption, that the sale

of the product in the packaging in which it is sold constitutes use of the mark can constitute bad faith within the meaning of the Act, seems to me to be a matter upon which, to put it at its lowest, the Applicant can make some fairly obvious submissions. As I say, it seems to me that Mr. Hodkinson's evidence is certainly relevant but I would not go so far as to say that it was in any way conclusive.

The third question is whether the evidence is apparently credible. Mr. Edenborough submitted to the contrary, on the basis that it was inconsistent with submissions made below. I do not think that is sufficient to deprive the evidence of credibility.

Turning to other factors, Mr. Mellor submitted that admitting the evidence would avoid multiplicity of proceedings on the basis that, if the evidence was not admitted and the appeal was unsuccessful, the consequence would be that the Applicant would make a further application and the same issues would have to be canvassed again. I have to say that I take the view that in the context of this particular case the question of multiplicity of proceedings is neutral, because it would have been open to the Applicant to file a further application anyway. It seems to me that the same points could, arguably, arise in that context as well.

There were certain other peripheral points that the

parties drew to my attention, but none of the other matters drawn to my attention seem to me to have any particular bearing on the matter over and above the four factors which I have already considered.

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I turn to consider the overall decision in the light of my consideration of those four factors, bearing in mind, as Mr. Mellor urged me to do, that at the end of the day the overriding consideration is to achieve justice between the parties. In my view, the first factor that I have considered, which is whether the evidence could and should have been obtained earlier, is the factor to which it is right to give most weight. In this case, I do not consider that the objection has changed to an extent which justifies the view that the Applicant was truly taken by surprise. The evidence could have been put in earlier. The Applicant chose not to do so and, whilst it is a small point in and of itself, I note that when the argument was raised before the Hearing Officer at the hearing, by which point there could have been no shadow of a doubt as to what the Opponent's case was and what points were being relied on in support of it, no application was made for an adjournment; nor, indeed, having read the transcript, can I see there having been any suggestion before the Hearing Officer that the Applicant was being taken by surprise.

To  $\operatorname{my}$   $\operatorname{mind}$  that consideration outweighs the second and

- 1 third factors which I have referred to, the fact that the
- evidence would be relevant although not conclusive and
- 3 as to its apparent credibility. Therefore, my conclusion is
- 4 that the application to adduce further evidence will be
- 5 refused.
- 6 MR. EDENBOROUGH: Sir, might I take instructions?
- 7 THE APPOINTED PERSON: Yes.
- 8 MR. MELLOR: That simplifies things a bit.
- 9 MR. EDENBOROUGH: Sir, there is one very minor point for your
- 10 note in the Decision.
- 11 MR. MELLOR: It was that amendment to the Counterstatement.
- 12 MR. EDENBOROUGH: There were, actually, four sentences in the
- 13 paragraph which are quoted, and the Counterstatement pleads
- it as only three.
- MR. MELLOR: There was an amendment ----
- 16 THE APPOINTED PERSON: I had not seen that.
- 17 MR. MELLOR: ---- shortly before the hearing. I do not know if
- 18 anybody has a copy of the letter we wrote on that. I was
- 19 looking for it in my papers and I do not have it. Ramages
- raised this point before the hearing and we addressed it.
- 21 Sir, in the Decision itself the Hearing Officer
- recorded in paragraph 8: "McBride filed a counterstatment.
- 23 In effect McBride denies the grounds of opposition. It does,
- 24 however, admit Reckitt's claim about the statements of
- 25 Mr. Hodkinson." That is the way he summarised it. At the

- 1 moment, I cannot remember precisely how he amended the
- 2 pleadings.
- 3 (Document handed to the Appointed Person).
- I think we did not admit to the third sentence, but I
- 5 do not think it has any effect on your judgment.
- 6 THE APPOINTED PERSON: It has been drawn to my attention that by
- 7 a letter dated 1st March 2004 the Applicant's trade mark
- 8 attorneys amended the Counterstatement so that paragraph 7
- 9 read: "First, second and fourth sentences of paragraph 7 of
- 10 the Notice of Opposition are admitted. The third sentence is
- 11 not admitted." That amendment was not something which
- 12 appeared on the copy of the Counterstatement in my file. It
- 13 follows that in my earlier decision, when I said that the
- third sentence was admitted, that is not correct. However,
- 15 do not think it affects my decision since my decision was
- 16 primarily predicated upon the case as pleaded by the
- 17 Opponents in their Statement of Grounds, paragraphs 7 and 11.
- 18 Thank you for drawing that to my attention.
- 19 It follows that your application for disclosure,
- 20 Mr. Edenborough, falls by the wayside.
- MR. EDENBOROUGH: Basically, Sir, yes.
- 22 THE APPOINTED PERSON: As does your potential application for
- 23 cross-examination.
- MR. EDENBOROUGH: The latter without a doubt.
- 25 There is just the smallest of points. I only raise it

- just for clarification. You saw that in my paragraph 2 I said
- that the application falls away. That is, in essence,
- 3 assuming that paragraphs 1.2, 5 and 7 of the actual skeleton
- fall away. I do not wish to push it, really.
- 5 THE APPOINTED PERSON: If the evidence does not come in, how can
- 6 you raise an argument of waiver of privilege?
- 7 MR. EDENBOROUGH: Exactly. So long as there can be no argument
- 8 that evidence is being adduced through the back door of the
- 9 skeleton. It is just dotting the i's and crossing the
- 10 t's.
- 11 THE APPOINTED PERSON: If you are asking me to strike things out,
- 12 I am not going to do it.
- 13 MR. EDENBOROUGH: No. It was just for clarification that those
- 14 are submissions, not evidence.
- 15 THE APPOINTED PERSON: You have put down your marker on that. Is
- 16 there anything else? Actually, so far as costs of today are
- 17 concerned, I would suggest that we consider those at the
- 18 substantive hearing, unless anybody has any contrary
- 19 submission.
- 20 MR. EDENBOROUGH: Can I take instructions but I do not think I
- 21 have anything further to say on that point?
- 22 THE APPOINTED PERSON: Sure.
- MR. EDENBOROUGH: No, Sir.
- 24 THE APPOINTED PERSON: Fine. Thank you both for your submissions
- today.