

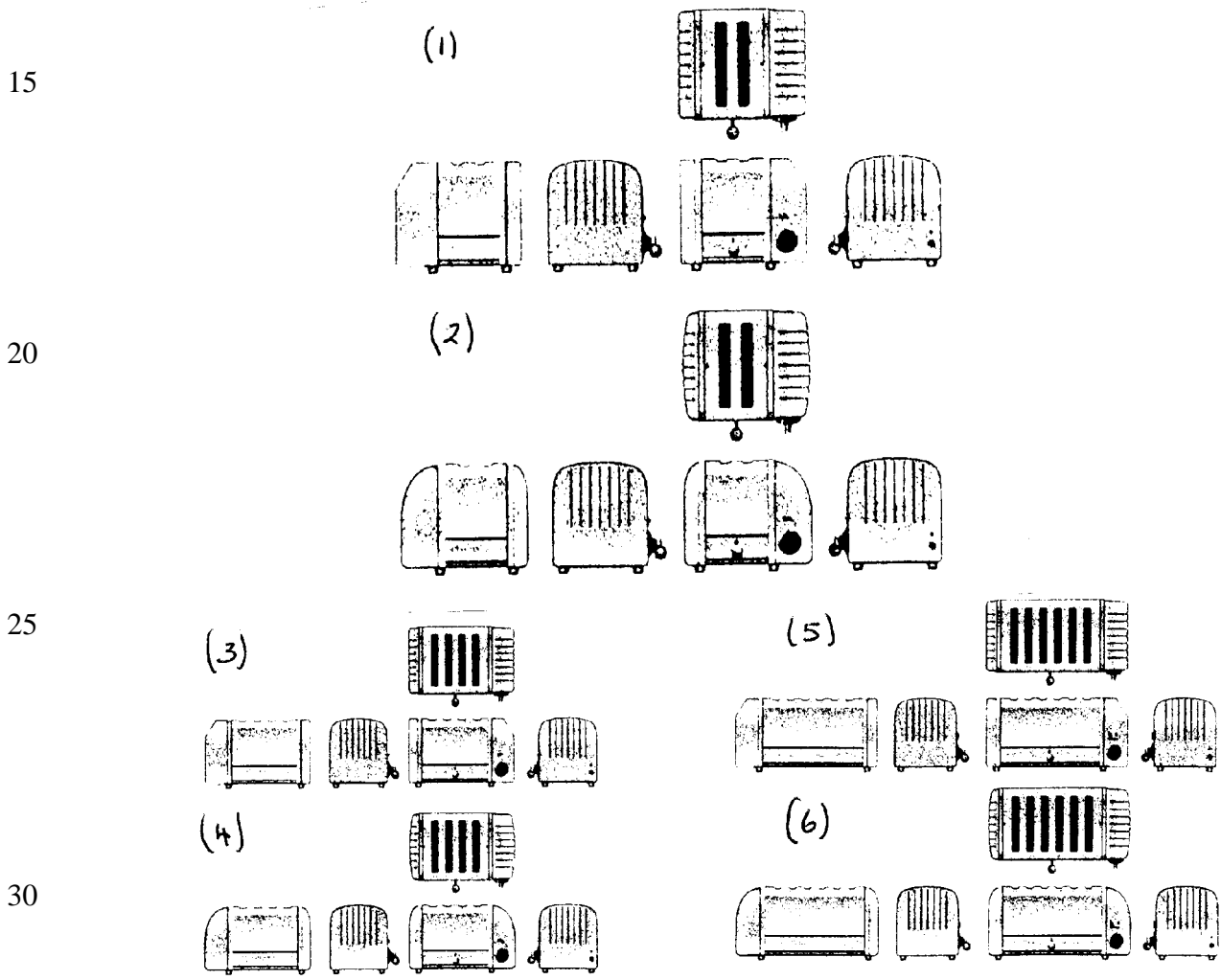
**IN THE MATTER OF Application No 2023846
by Dualit Limited to register a trade mark in Class 11**

AND IN THE MATTER OF Opposition thereto

5 under No 46522 by Rowlett Catering Appliances Limited

BACKGROUND

10 On the 14 June 1995, Dualit Limited applied under the Trade Marks Act 1994 for the registration of the six trade marks shown below in respect of toasters in Class 11 (I have enlarged the representations of the first two marks purely to assist the reader).



5 The application form indicates that the above signs are intended to form a series of marks, which are applied for in three dimensional form. The representation of the marks on the application form is in black and white but it contains shading giving the impression of metallic surfaces. However, the applicants have not claimed or limited their marks as to colour, nor have they otherwise specified that a metallic surface forms any part of the marks applied for. I therefore intend to regard the marks as consisting exclusively of the shape of the goods.

Following publication of the application, opposition to the proposed registration was filed by Rowlett Catering Appliances Limited. The grounds of opposition are, in summary, that:

10

i) The marks consist of at least two different shapes which do not form a series of trade marks within the meaning of Section 41(2) of the Act;

15

ii) The marks are not capable of distinguishing the goods of one undertaking from those of other undertakings and are therefore excluded from registration by Section 1(1) of the Act;

20

iii) The marks are devoid of any distinctive character and registration would therefore be contrary to Section 3(1)(b) of the Act;

iv) The marks consist exclusively of shapes which results from the nature of the goods themselves and are therefore excluded from registration by Section 3(2)(a) of the Act;

25

v) The marks consist exclusively of shapes which give substantial value to the goods and are therefore excluded from registration by Section 3(2)(c) of the Act.

30

The opponents also ask for the application to be refused in the exercise of the Registrar's discretion. However, the Registrar no longer has any power to refuse an application which meets the requirements for registration. Consequently, this adds nothing to the grounds of opposition set out above.

The applicants deny the grounds of opposition. They further contest whether the opponents have the necessary standing to challenge whether the six marks form a series for the purposes of Section 41(2) of the Act. Both sides seek an award of costs.

5 The matter came to be heard on 15 July 1998, when the applicants were represented by Mr I Purvis of Counsel instructed by Fry Heath & Spence, Trade Mark Agents, and the opponents were represented by Mr R Arnold of Counsel instructed by Lewis and Taylor, Trade Mark Agents.

10 I record here that at the hearing a further ground of opposition was added. The opponents further contend that the marks consist exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods, and registration would therefore also be contrary to Section 3(1)(c) of the Act. The applicants consented to this amendment of the pleadings and I therefore allowed it.

15

ADMISSIBILITY OF OPPOSITION TO THE REGISTRATION OF THE MARKS AS A SERIES

20 Before me, Mr Purvis took the position that the question of whether two or more marks formed a series was an administrative issue which concerned only the applicants and the Registrar. He pointed out that no such grounds of refusal are contained within EC Directive 104/89, which sets out the conditions under which Member States of the European Union (EU) may refuse registration of trade marks. The Directive makes no provision for the registration of trade marks as a series. Certainly within the EU, the United Kingdom is unique in making this provision, which
25 I accept is purely administrative. This suggests that the answer to this point is not to be found in the Directive. In fact the seventh recital to the Directive makes it clear that Member States may introduce legislation which provides for the refusal of an application as a result of the noncompliance with procedural rules.

30 For his part, Mr Arnold pointed out that Section 37 of the Act required the Registrar to be satisfied that an application satisfies the requirements of the Act (which must include whether

two or more marks constitute a series) and Section 40(1) states that the Registrar may refuse to register a mark which he had previously accepted if, as a result of matters coming to his notice since he accepted the application, he considers it was accepted in error. Mr Arnold's point was that if the Registrar had power to review his own decisions on this basis it could not be right that an opponent was prevented from raising such a matter in an opposition.

I indicated at the hearing that I accepted Mr Arnold's submissions on this point. Section 38 of the Act does not place any limits on the grounds of opposition. It therefore appears to me that where an opponent can show that an application is contrary to any provision of the Act, he may raise that matter as a ground opposition. I will therefore consider whether, on the basis of the evidence before me, the marks were correctly accepted as a series. I will return to this issue later in this decision. However, I record here that the opponents do not dispute that shapes which vary in length purely to accommodate a different number of toasting slots can form a series of trade marks. Their objection is that the three toasters shown with rounded ends do not form a series with the three shown with angular ends.

As it is common ground that nothing turns on the number of toasting slots, I really have only two shapes to consider. Hereinafter I will refer to these as the rounded end toaster (RET) and the angular end toaster (AET).

SUMMARY OF THE EVIDENCE

The opponents' evidence includes a Statutory Declaration dated 3 July 1997 by Michael Groves, who is a designer and Managing Director of DCA Design International Ltd. The most relevant aspects of Mr Groves evidence are that;

1. The shape of the Dualit toaster has changed over the years and the original 1950 toaster shape is quite different from the shapes applied for;
2. The designs of the Dualit toaster incorporate fashionable "retro" styling, in which the shape is intended to provoke a nostalgic feel associated with quality, robustness and

reliability or designs which have stood the test of time;

3. The aesthetic appeal achieved by the Dualit products coupled with the impression of and reality of durability and sturdiness achieve an added value which enables the product to be sold at a price greatly in excess of other toasters;

4. At the date of the Declaration there were other toasters on the market with curves, slots, retro styling and other features in common with the Dualit toasters.

10 The opponents' evidence also includes a Statutory Declaration dated 3 July 1997 by David Robert Cowan, who is a partner in the firm of Lewis & Taylor mentioned above. Mr Cowan exhibits as DRC1 the evidence filed by the applicants which resulted in the application being accepted and published by the Registrar.

15 This evidence takes the form of a Statutory Declaration dated 13 November 1995 by Leslie Alexander Gort-Barten, who is the Managing Director of Dualit limited. Mr Gort-Barten states that the applicants have traded in the UK in toasters of the three-dimensional shape shown in the application since 1948. He provides turnover figures for the period 1976 to 1994 which show that sales of goods covered by the mark over the 10 years to 1994 amounts to £27m. The figures also show that sales increased significantly after 1985 and that this increase became particularly marked in the three years preceding the filing of the application (going from just over £3m in 1991 to over £5m in 1994). Mr Gort-Barten states that the applicants' toasters are stocked by all major catering suppliers (examples provided) and advertised in various named catering magazines. In addition the applicants' toasters are advertised in a number of national newspapers. Between 1976 and 1994, the applicants spent between £2k and £30k per annum advertising their goods. They also exhibited their goods at three trade shows every two years.

30 Mr Gort-Barten states that the applicants' toaster is a "design classic" and that the shape would be associated by the trade and the public with Dualit limited. In support of this claim he exhibits a copy of an article about the AET in Design Magazine of September 1993 which is entitled "Design Classic". I think it is worth reproducing some extracts from the article here:

“ In toaster terms, the Dualit toaster stands apart from the common herd. Like the Morris Minor, Gilbert Scott’s red telephone boxes and the old pint pot, it is unmistakably British in its robustness, muscularity and reliability; not exactly pretty but not ugly either.”

5

“Dualits....are still hand assembled in SE15 by people whose job it is, on average, around 10 toasters a day.”

10

“The creation of engineer Max Gort-Barten in 1948, the Dualit is a shiny post war icon of modernity that was initially targeted at the catering equipment market - hence its impressive performance specification. Dualits are built to operate 24 hours a day and have an output of 60-200 slices an hour. A touch overpowered for domestic use agreed but then again Porsche still sell cars with top speeds of 170mph.”

15

“It has survived into the nineties not by radically changing its look (though it undergoes the occasional tweak, the most recent being carried out by Indes Design Consultants last year) but by changing its target audience from caterers to affluent domestic customers. Like most products with a long tradition of quality and production in relatively small numbers, they are not cheap.....however, it seems that enough people are still happy to pay up to seven times more for a Dualit than they would for one of its more modern-looking rivals. Okay, so the toasting slots look as though they were really made to carry ammunition magazines, and the whole thing looks like a maquette for a bulldozer styling exercise from the fifties. Yet the Dualit’s machine aesthetic marries high performance to an iconic casing design , light years away from the plastic blandness of most toasters.

20

25

The retro feel is just a bonus.”

30

Exhibit DRC1 to Mr Cowan’s declaration also includes copies of other Statutory Declarations submitted by the applicants before acceptance by the Registrar. These are from five trade witnesses, namely Mr Craig Allen of Terence Conran Ltd, Simon Shepherd of Harrods, Janice Webster of Heal & Son Limited, Ian Thompson of John Lewis plc and Bryan Whittaker of The Association of Catering Equipment Manufacturers & Importers (CESA). The first four are buyers

of toasters for their respective companies. Mr Whittaker is a Director of CESA and says he has a good knowledge of the toasters offered for sale in the UK by the 102 members of the CESA, which range from multinational companies to small independent companies. There is also a Statutory Declaration from Michael Philip Downing of Fry Heath & Spence which explains how this evidence was obtained. He states that:

1. The applicants provided the names of the persons named above;
2. No other persons were contacted;
3. The persons were concerned were shown the shapes of the AET and RET as represented in the application and asked whether the shape was associated with any particular manufacturer;
4. The applicants were not named but the witnesses were advised that the enquiry related to a trade mark application;
5. All five persons named above subsequently completed Statutory Declarations which were drafted by the applicants' advisors.

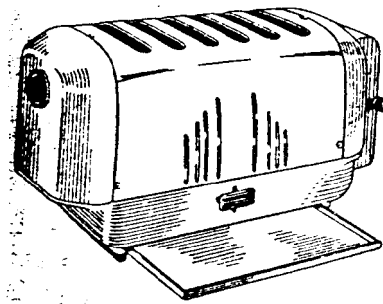
All five persons state that they associate the shapes with Dualit Ltd and that they would assume that a toaster with an external shape corresponding to the marks at issue would be made by the applicants. Mr Whittaker states that he is not aware of any company selling toasters of similar shape to those in question.

Exhibit DRC5 to Mr Cowan's declaration consists of copies of various articles and catalogues featuring toasters. It is evident from the toasters shown that the use of side to side toasting chambers, timers, toast lifting knobs and curved profiles at the ends of toasters was not unique to the applicants at the date of application. DRC5 also shows that a number of toasters are now on the market which bear various degrees of overall similarity to the shape of the applicants' goods. One of these appears in the 1997 Scotts of Stow catalogue. It is described as a "classic design" and costs £59.95. Another is the opponents' Classic toaster, which is described as "beautiful and ergonomically designed". A third similar toaster appears in a catalogue entitled Index 1997. It is called La Cuisine and is described as "Classic American Diner-Style Design". It costs £39.99. It is common ground that none of these toasters was available before the date of

this application.

Mr Cowan also exhibits a copy of the prices for Dualit toasters, which range from £136.88 to £305.50. He compares this with the considerably cheaper cost of most other toasters and provides a number of examples ranging from £12.99 to £59.95 (the last is first example of a “classic design” mentioned above - the average is around £20-25). Mr Cowan states that he believes that the high price of the applicants’ goods is, at least in part, due to the aesthetic appeal of the products.

The applicants’ evidence in reply consists of a further declaration from Mr Gort-Barten dated 3 October 1997. Mr Gort-Barten confirms that the sales and advertising figures provided in his previous declaration relate solely to toasters. He accepts that the shapes of the applicants’ toasters have been modified over the years and he provides details of the four changes of shape. The AET shape has been in use since 1986: the RET since December 1994. To my eye, the overall result is that the latest designs (which are the AET and the RET) look very different to the original 1948 shape, which is shown below.



Mr Gort-Barten states that he regards these changes as progressive development. He says that his original evidence that “*the applicant has traded in the United Kingdom in toasters of the three-dimensional shape shown in the Application since 1948*” was not intended to mislead.

Mr Gort-Barten says that the applicants' toasters are targeted in the catering trade and it is therefore inappropriate to compare their prices with those of domestic toasters. He provides details of various toaster prices. I note from these prices that the applicants offer their toasters for sale in standard black or white finish or with a polished metal finish. As one would expect the latter are more expensive. For instance the "four slot White Heat" bread toaster costs £116 with a standard finish but £143 with a polished metal finish. There also appear to be "new special order" colour finishes which cost the same as the polished metal finish. The applicants' prices appear to be similar to the opponents' prices, for what the applicants' claim to be an equivalent catering toaster, and similar to those of another competitor in the catering trade.

5
10

Mr Gort-Barten also provides details of a public survey carried out at the beginning of 1997 at three London locations (Selfridges, Divertmenti and Jerry's Home Stores). The survey was conducted as follows:

15

1. Interviewees were selected from customers present at the time and asked a number of questions designed to establish if they were students, unemployed more than six months or on State benefits or pension only. If so the interview was terminated.

20

2. If not the interviewees were shown a card upon which the statements "*The design of things I buy is as important as how well they work*" and "*The design of things I buy is not as important as how well they work*" appeared, and they were asked which one they agreed with. Those that were not concerned about design were also excluded.

25

3. The remaining interviewees were then shown a two or four slot toaster, which was not the applicants' toaster but the opponents' Classic toaster, which I as I have already remarked is quite similar in shape. The Rowlett name was covered with a metal plate leaving only the name Classic exposed.

30

4. The interviewees were then asked "*Do you recognise this design of toaster at all?*" and if so "*Who do you think makes this?*" Those that answered Dualit were then asked why? Those that did not were asked a series of further questions, culminating in "*Do you*

know what a Dualit toaster looks like?”

Copies of all the signed interview sheets are exhibited to Mr Gort-Barten’s declaration. The comments of the interviewees are recorded verbatim. Mr Gort-Barten states that of the 127
5 people interviewed some 32 thought that the Rowlett toaster was made by Dualit and a further 15 said that they knew what the Dualit toaster looked like. Mr Gort-Barten says that this shows that the shape of the Dualit toaster is distinctive and use of a similar shape toaster by others is likely to damage the applicants’ goodwill.

10 The opponents filed further evidence in response to this. It takes the form of a further Statutory Declaration from David Robert Cowan dated 2 March 1998. Mr Cowan provides details of various other toasters which were available before the date of application which he says have features in common with the shape of the applicants’ toasters. He exhibits details of a Saluta toaster from the 1930s, a Kalorik toaster from the 1940s and a Morphy Richards from 1960. To
15 my eye none of these shapes are at all similar to the shape of the applicants’ AET or RET. However, this evidence does show that the applicants’ toasters were not the only ones on sale before the date of application with vertical cooling grooves.

Mr Cowan further states that, contrary to the applicants’ contention, it is appropriate to compare
20 the price of a Dualit with that of domestic toasters, and he exhibits a copy of a catalogue by Scotts of Stow which features the RET. The following is an extract from an article in that catalogue:

25 *“In a class of their own, British Dualit toasters have been use in professional catering kitchens for over 50 years and have quietly assumed the status of a kitchen classic.”*

Mr Cowan also takes issue with Mr Gort-Barten’s interpretation of the public survey results. He points out that in reality both toasters prominently bear the names of their makers and that the level of confusion suggested is not therefore going to come about. He also takes issue with the
30 interpretation of the figures. According to Mr Cowan only 17 of those surveyed can properly be classified as having been “definitely confused.” A further 15 thought it might be a Dualit, or was

similar to, or a copy of, a Dualit. One person said it was not a Dualit. He notes that a further 19 thought it might be another make.

5 The opponents also filed a further Statutory Declaration by Michael Groves dated 12 February 1998. Mr Groves also argues that it is appropriate to compare the cost of Dualit toasters with other domestic toasters. In support of this he exhibits articles from the Evening Standard of 20 August 1997 comparing a Dualit toaster with another toaster . The article is entitled “Double Vision” and it features a photograph of a toaster which is somewhat similar to the shape of the applicants’ toasters. The following appears beneath:

10 *“Every designer’s kitchen features a stainless steel Dualit toaster, widely hailed as a classic. Prices start at around £115. This acceptable substitute is sold by Littlewoods mail order for £40.”*

15 He also exhibits a copy of an article from the Daily Telegraph of November 1997. The article looks at a number of household toasters including the Dualit RET. The article continues:

“This catering-quality handmade toaster has achieved cult status as the timeless stylish accessory for the modern kitchen.”

20 Finally, the opponents filed a Statutory Declaration dated 27 February 1998 by David C Arnott of Warwick Business School. He states that his duties at the University of Warwick include teaching marketing and market research. The thrust of Mr Arnott’s evidence is that the applicants’ survey was not conducted in a manner appropriate for use in legal proceedings and that the selection of interviewees and the questions asked were likely to obtain answers unfairly favourable to the applicants.

GENERAL REMARKS

30 At the hearing, Mr Purvis submitted that where the shape of the goods is shown to be distinctive, one of the purposes of the Act is to prevent unfair competition. The Trade Marks Act is not a law

of unfair competition. Its purpose is clear from the recitals to EC Directive 104/89, which it is supposed to implement. The purpose is to provide protection to signs which can function as marks of **trade origin**. Thus the applicants' case cannot succeed on the footing that other traders should not be allowed to copy a successful design. They can only succeed if they can show that the shapes applied for serve as badges of origin. And even if the applicants can show that the shapes in question function as badges of origin, they cannot succeed if the opponents have shown that the shapes result from the nature of the goods themselves or that the inherent attractiveness of the shapes in question gives substantial value to the goods.

It will be apparent from the above remarks that in order to reach a decision I need to take a view on the extent of the recognition of the toaster shapes by the relevant public; whether such recognition of the shapes amounts to recognition as trade marks, and the degree to which the inherent eye appeal of the toaster shapes contributes to the value of the goods. I have not found this an easy task. The fact that neither side has filed direct evidence from "ordinary" members of the general public (which may have led to a helpful cross examination in this case) has made the task still more difficult.

The evidence I have before me lends some support to both sides' case. This makes it necessary for me to carefully consider the question of where the burden of proof rests. Mr Arnold did not dissent from the general proposition that, under the new law, the burden of proof in an opposition is on the opponents. However, there is an aspect of this case which makes me doubt whether that should be my starting point. The evidence the applicants filed before publication plainly stated that the applicants had traded in toasters in the shapes applied for since 1948. The applicants now accept that, in fact, there were four changes of shape during this period. They say that the original statement was not intended to be misleading. Whether that is so or not it appears to me that it was a misleading claim. In *EUROLAMB* (1997 RPC page 279), Geoffrey Hobbs Q.C., sitting as The Appointed Person, decided that Section 37 of the Act was the neutral as regards the position between the Registrar and an applicant. It appears to me that where an application is accepted on the basis of evidence of acquired distinctiveness, and it is subsequently shown in an opposition that the applicants' evidence was misleading in some material respect, the applicants should not be in a more favourable position in those opposition proceedings than they

would have been prior to acceptance by the Registrar. Consequently, I intend to decide the matter on the balance of the evidence before me and without assuming a burden of proof one way or the other.

5 With these general observations in mind I turn to consider the grounds of opposition under the various sections of the Act. I intend to deal first with those grounds of opposition where the answer is, I believe, relatively clear.

SECTION 3(2)(a)

10

Section 3(2)(a) states that:

A sign shall not be registered as a trade mark if it consists exclusively of the shape which results from the nature of the goods themselves.

15

Mr Arnold frankly conceded that this was his weakest ground of opposition. In Philips Electronic NV v Remington Consumer Products 1998 RPC 283 (the Philips case), Jacob. J decided that one must construe “the goods” in a practical business matter and that the definition of “the goods” depends upon how they are viewed in practice as articles of commerce. The evidence shows that
20 toasters can be broken down into two broad categories, domestic toasters and catering toasters. The applicants’ goods appear quite unusual in that they are based upon the design of a catering toaster and yet they are targeted at both markets. There is therefore no single type of commercial article here in the way that there was found to be in the Philips case.

25

I do not think that the reference to “the shape” limits the scope of the provision to those case where the nature of the goods results in a single shape. Section 3(2)(c) uses a similar construction and yet it is impossible for only a single shape to give substantial value to the goods. It therefore appears to me that the provision should be interpreted to mean a shape which results from the nature of the goods themselves.

30

Whether I consider the goods to be “toasters” or “catering toasters”, there appears to me to be

certain styling features (which the opponents' describe as a "retro" look) which prevent the shapes from being said to consist exclusively of the shape which results from the nature of toasters or catering toasters. I conclude that the opposition under this heading fails.

5 **SECTION 3(1)(b) & 3(1)(c)**

For reasons I will explain later, I find it convenient to express a final decision on the ground of opposition under Sections 1(1) and 3(1)(a) of the Act after I have dealt with the ground of opposition under Section 3(2)(c) of the Act. The opponents' pleadings include separate grounds of opposition under Sections 3(1)(b) & (c) of the Act. These are only relevant if the signs applied for qualify as trade marks at all under Section 1(1) of the Act, for otherwise the signs are excluded from registration under Section 3(1)(a). I intend to deal with the other grounds of opposition under Section 3(1) first, assuming for the moment that the shapes at issue qualify as trade marks within the meaning of Section 1(1) of the Act.

15

Section 3(1)(b) & (c) of the Act is as follows: -

The following shall not be registered -

20

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

25

(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 rendering of services, or other characteristics of the goods or services

Jacob J. has also provided some guidance on the meaning of Section 3(1)(b). In *British Sugar Plc v James Robertson and Sons Limited* (TREAT) 1996 RPC.281, he asked rhetorically -

30

"What does devoid of any distinctive character mean?"

To which his answer was -

5 “I think the phrase required consideration of the mark on its own assuming no use. Is it the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark?”

In the Philips case, Jacob J. added to this in the following terms:

10 “What I have said about word marks is true also of picture marks. They to may be more or less descriptive. A picture of an article is equivalent to a description of it - both can convey information. If the picture is simply of an artifact which traders might legitimately wish to manufacture then to my mind it is just like the common word for it and, like the word for it, incapable of distinguishing.

15 It appears to me that precisely the same considerations apply where the trade mark in question is the shape of the goods rather than merely a picture of them. Accordingly, unless there is something inherently distinctive about the shapes applied for so as to allow them to function as badges of origin without the need to first educate the public to that perception, the shapes are *prima facie* excluded from registration by sections 3(1)(b) & (c) of the Act.

20 It appears from the evidence before me that all the main styling features of the AET and the RET - curved profiles, side to side toasting slots, toaster lifting knobs, timer switch and cooling grooves - were not unique to the applicants’ toasters before the date of application. The applicants’ position is that it is the particular presentation of these features and the resulting overall
25 appearance of the shapes which give them an inherently distinctive character.

30 It appears to me that the public are well accustomed to seeing domestic appliances with different styling features and with different interpretations of the same styling features. I find it highly unlikely that the public will - *without education* - recognise variations on, or different arrangements of, established styling features as badges of origin. On the contrary, I do not believe that *prima facie* the public would regard the shapes applied for as denoting exclusively the goods

of a particular trader. I conclude that the applicants' marks are excluded from registration by Section 3(1)(b) & (c) of the Act.

5 However, that is not the end of the matter because the applicants claim that the marks have acquired a distinctive character as a result of the use made of them. They contend that the application should succeed under the proviso to Section 3(1) of the Act. The proviso is in the following terms:

10 A trade mark shall not be refused registration by virtue of paragraphs (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.

The applicants rely upon the evidence of use of the mark. As indicated above, the AET has been in use since 1986. The RET toaster since December 1994. It appears that the goods were
15 originally sold exclusively into the catering market but that they have subsequently also been targeted at the domestic market. It is not clear when this change occurred or what proportion of sales are made to the respective markets. I note that the article reproduced above under the title "Design Classic" states that the target audience for Dualit toasters had changed to affluent domestic customers when it was written in 1993. There is no doubt that the toasters are still sold
20 to the catering industry, but it appears clear that the domestic market has become increasingly important to the applicants, which is no doubt why their evidence includes buyers from high street stores and a public survey.

The evidence shows that, in practice, the word mark Dualit always appears prominently on the
25 applicants' toasters, usually in two places. Mr Arnold reminded me that in the well-known Treat case (1996 RPC 281), Jacob J. pointed out that it was illogical to assume that mere evidence of use equalled evidence of distinctiveness. He also drew my attention to the similarity between this case and the Philips case wherein Jacob J. described the shape of the Philips razor as at best a
30 "limping trade mark" because it had never been trusted to do the job of distinguishing without the "crutch" of the word mark "Philishave." The circumstances here bear some similarity to those in the Philips case. However, it is important not to take this point too far. I do not think that

Jacob J's decision means that it is impossible to register a pure shape mark in circumstances where the evidence only shows use of the shape together with a distinctive word mark.

5 I note that in the same decision Jacob J. used the Coca Cola bottle as an example of the sort of shape trade mark which is devoid of any distinctive character yet which can be saved by proof of factual distinctiveness. Yet it could equally be said that the Coca Cola bottle is always used with the famous word mark. It appears to me that where the evidence shows that the non-distinctive sign applied for has, in practice, always been used with another distinctive sign, there is an additional burden on the applicants to establish that, contrary to the more obvious conclusion that
10 it is the distinctive sign which really does the job of distinguishing, in fact the non-distinctive sign has come to be regarded as a second trade mark capable (by itself) of distinguishing the applicants' goods or services.

The applicants rely on the evidence of a number of trade witnesses to establish this. All five
15 witnesses shown drawings of the toasters similar to those included in this application stated that they recognised the toasters and associated the shapes with the applicants. As Jacob J. noted in the Philips case, the word "associates" can have a number of meanings. The word could be used by those that mean "first to come to mind", "best known one", "only one I can think of - but there may be others." None of those meanings amount to recognition of the sign as a trade mark. On
20 the other hand the witness may mean "that shape tells me it's a Dualit - I'd definitely expect it to be a Dualit and be confused if it wasn't." That sort of recognition is more likely to support the claim that the sign(s) is regarded as a trade mark.

The closest that the trade witnesses get to the latter is that they say that they would "assume" a
25 toaster of the shapes shown to them would be a Dualit. However, it would appear that the wording of the declaration was in fact drafted by the applicants' advisors so it is probably not right to attach too much importance to the precise words used. Given that this type of application gives rise to relatively subtle questions of perception, it appears to me to be important for witnesses' evidence to consist of their own words. And even if I was to accept that the trade
30 witnesses regard the shapes of the applicants' toasters as trade marks, I do not think it would be safe for me to assume that they are representative of the relevant public and able to speak on their

behalf. I would expect trade buyers of toasters to be far more intimately aware of, and attach much greater importance to, the shapes of toasters on the market than the public at large.

5 That brings me to the applicants' public survey evidence. For reasons best known to themselves the applicants decided to seek to establish the distinctiveness of their toaster shapes as trade marks, not by reference to the marks applied for, but by reference to a similar shaped toaster subsequently put on the market by the opponents. The applicants say that, of the 126 people surveyed, 32 thought that the toaster shown to them was a Dualit and a further 15 said they knew what a Dualit toaster looked like. The opponents dispute this. They say that, on the basis of the
10 comments on the interview sheets, only 17 were "definitely confused". A further 15 thought the opponents' toaster looked like a Dualit but realised it was not. I think the opponents' interpretation is a closer to being a fair reading of the results.

15 At first sight then the survey shows that around 15% of those taking part regarded the shape of the Dualit toaster as a sufficiently strong indication of origin that they thought the similar looking toaster made by the opponents was a Dualit. The opponents point out that some interviewees mentioned other possible makers, but I think it is fair to point out that this only applied to those who did not immediately recognise the shape.

20 It may be that the applicants would have been able to obtain a higher degree of recognition if they had tested the public's reaction to the shapes they are seeking to register rather than another albeit similar shape. However, given that was their choice I don't think I should infer that this would necessarily have been so. This approach presents a further complication in establishing whether the shape of the applicants' toasters had acquired a distinctive character *before the date*
25 *of application*. It is not possible to know what shape the interviewees had in mind when they said they thought that Dualit was the maker of the opponents' toaster. The evidence indicates that the opponents do not sell toasters of any other shapes in the UK, but to my eye the shape of the opponents' toaster resembles the RET more than the AET. Yet the RET had only been on sale for six months before the date of application, whereas the survey was held some 19 months after
30 the date of application, by which time the RET was likely to have become more widely recognised.

At the hearing, Mr Arnold made the following criticisms of the conduct of the survey:

1. The preliminary questions relating to social grouping and the importance of product design were intended to tilt the results in the applicants' favour;

5

2. There is no indication of how many people were excluded from the survey as a result of these preliminary questions and it is not therefore possible to judge how representative the results are;

10

3. The central questions asked "*Do you recognise this design of toaster at all?*" and "*Who do you think makes it?*" were somewhat leading and likely to result in artificial speculation;

15

4. The survey results are in any event suspect because the applicants were until recently the only party with toasters with these features on the domestic market and therefore association between the applicants and toasters with the features shown above does not amount to recognition as a trade mark.

20

In support of these criticisms Mr Arnold referred me to the remarks of Whitford J. in the Raffles case (1984 RPC 293) and Hoffman J. in Unilever (Striped Toothpaste No 2 - 1987 RPC at page 19).

25

In my view, there is some force in these criticisms. I think it is legitimate to use preliminary questioning to focus the survey onto the *relevant* public. Where this is done, it seems appropriate that the numbers excluded from the survey should be disclosed so as make it clear that the effect of the selection did not go beyond that. The use of the words "*at all*" at the end of the first substantive question, together with the wording of the second question does fall into the trap of encouraging speculation. As far as the fourth criticism is concerned, I think one needs to be careful about saying that because the applicants are the only traders who produce toasters for the household market with particular features, the public's association of those features with the applicants doesn't amount to recognition as a trade mark. For this argument to bite it is necessary

30

to identify a particular category or type of product of which the applicants' goods have been the predominant or only member for some time resulting in an association between the product type (or category) and the only known manufacturer of products of that category or type. In the Unilever case the category was striped toothpaste. In the Philips case the type was a three headed
5 razor. In this case I think the evidence suggests that the applicants' goods were probably the only catering or "diner" style toasters available on the household toaster market for some time leading up to the date of application. To that extent, I think that there is some force in Mr Arnold's criticism. The fact that the public were asked, essentially, "who do you think makes this *design*?" also suggests that the public were asked primarily whether they recognised the *style* of toaster and
10 if they knew who made them. As there was, until recently, probably only one well known manufacturer of catering or "diner" style toasters for the household market the association shown between the shape of toasters in that style and that manufacturer is not surprising.

Mr Arnold also asked me to take account of the fact that, in use, both the applicants' toasters and
15 those of the opponents will carry word marks so that the level of confusion suggested by the survey will not in fact occur. That may be so but I do not accept that where an applicant is trying to establish that the shape of his goods is distinctive in fact as a trade mark, it is inappropriate to test the public's reaction to that shape alone. There is no requirement for the distinctiveness of a shape mark (or any other kind of sign) to be able to survive the effect of other distinguishing
20 matter outside the mark applied for.

To sum up, I believe that the survey shows that there is a degree of association between the applicants and the design of a catering style toaster somewhat similar in appearance to the marks applied for. However, at best, the "association" which could be said to amount to recognition of
25 the shape of the toaster as a trade mark only existed amongst around 15% of those included in the survey. And in view of the criticisms of the conduct of the survey, some of which I have found to be well founded, I don't think that even this figure can be regarded as reliable.

For the reasons given above, I do not consider that the applicants have established that, before
30 the date of application, the shapes applied for had acquired a distinctive character as trade marks. That being so, the marks are excluded from registration by Sections 3(1)(b) & (c) of the Act.

SECTION 3(2)(c)

Section 3(2)(c) of the Act is as follows: -

5 A sign shall not be registered if it consists exclusively of-

(c) the shape which gives substantial value to the goods

In the Philips case, Jacob J. stated that:

10

“Good trade marks add value to goods - that is one of the things they are for. So one must not take this exclusion too literally. I think what is meant is an exclusion of shapes which exclusively add some sort of value (design or functional appearance or perhaps something else though I cannot think of anything) to the goods disregarding any value attributable to a trade mark (i.e. source identification) function. A question of degree is obviously involved. For instance the Rolls Royce grill adds value to a Rolls Royce. But it does so primarily because it signifies Rolls Royce and not because of its inherent shape.”

15

20

I would not have thought that the appearance of a toaster was important enough to make much difference to the value of the goods. But the evidence suggests that this may be an incorrect assumption on my part. For example, Exhibit DC12 to Mr Cowan’s declaration of 2 March 1998 includes a brochure from Scotts of Stow. It features several toasters. One (not the applicants) is described as a Classic Chrome Toaster. The description is as follows:

25

“A toaster is one of the very few kitchen appliances always on display, so looks are especially important - but then so is function. Admirably combining both, our new..... Chrome toaster has a classic hand polished chrome casing and offers.....all for the super value price of just £29.95.”

30

It appears from the evidence before me, that the applicants have effectively identified a new

market for their catering toasters - namely affluent domestic customers who are prepared to pay high prices for an attractive quality product. I doubt whether the shape of a toaster is likely to be of as much aesthetic significance to buyers in the catering market - at least there is no evidence of this. The split market coupled with the fact that the applicants' toasters are both overtly
5 functional yet with aesthetic appeal **and** of high quality make it very difficult to determine to what extent it is the *shape* of the applicants' toasters which give substantial value to the goods.

The opponents point out that the applicants' toasters are hailed as a "design classic" and cost around seven times more than most domestic toasters. The applicants counter that this is because
10 their toasters are of catering quality, and that the cost of their toasters is comparable with those of other catering toasters of similar quality (including the opponents).

Section 3(2) of the Act appears to be intended to prevent permanent monopolies being created under the Trade Marks Act in signs which consist exclusively of a shape which would give the
15 proprietor of the trade mark a permanent and substantial advantage over his potential competitors and in so doing create unacceptable distortions in the market.

As elsewhere in Section 3, I take the word "*exclusively*" in Section 3(2) to relate to the content
20 of the mark rather than the meaning or purpose of the sign. If that is so it must follow that a shape which gives substantial value to the goods in one relevant market cannot escape refusal by virtue of the fact that the same shape may not do so in another. Nor should a proprietor be able to secure a monopoly in a shape which gives substantial value to the goods simply because, in the case of his own goods, there are other factors, such as quality, which give still further substantial value to the goods.

25 This leads to the question "why are domestic customers prepared to pay seven times the average cost of a toaster for the applicants' toasters?" There can be little doubt that the perceived quality of the products plays an important part. The article entitled "Design Classic" reproduced above notes that there is little practical benefit to a domestic consumer in having a toaster which can
30 produce 60-200 slices of toast per hour. But as the writer of that article makes clear by the use of the analogy with high speed cars, the public do not have to have a practical application for

every aspect of quality before they are prepared to pay for it. Even so it is difficult to imagine potential customers for household toasters being much concerned with such academic output capacity. It is likely that the robustness and longevity of the applicants' toasters contribute towards their high cost. I doubt whether these factors alone would prompt many to pay a price premium of the order in question, but there is also the value added by the mark Dualit.

I note that several of the similar looking toasters which have come onto the market after the date of this application are priced midway between (and in one case closer to) the average price of a toaster and the price of the applicants' goods. The opponents point out that the cost of such toasters is still well above the average. The applicants might have argued that this is more to do with the fact that they look similar to a Dualit than because of their inherent attractiveness. Overall, I find this evidence of a price premium gives a little support to the opponents' case, but I do not find it conclusive.

Further, although the price of the goods is bound to be an important pointer as to whether a shape adds substantial value, I do not think it can be the sole indicator. Prices are often influenced by factors independent of the goods themselves, such as market forces, the pricing policy of the proprietor, and of course the value added to a product by its trade mark. Can an attractive shape which allows a trader to sell ten times more goods in that shape than his competitors are able to sell using alternative shapes really be regarded as not adding substantial value in the absence of a substantial price premium? This suggests that the primary question in a case such as this is whether the shape give substantial value to the goods in the eyes of actual and potential customers.

There is some evidence that the aesthetic appeal of the applicants' toasters does play an important part in the attractiveness and value of the products to the general public. It has variously been described as a "kitchen classic", "a timeless stylish accessory for the modern kitchen" and a "design classic". The applicants themselves are happy to adopt the latter description.

It appears to me that the word "design" is used here to mean external shape. The polished metal

surface of the goods may also play a part, but on the evidence this is subsidiary to shape. I note that in the Philips case, Jacob J. stated that he did not believe trivial embellishments or variants to be outside the exclusion from registrability. It is true that those remarks were directed at the test under Section 3(2)(b) of the Act, but the same sort of consideration must equally apply to the other parts of Section 3(2).

How can a shape regarded as a “design classic” not add substantial value to the goods in a case where the aesthetic appeal of the product is important? I recognise the need to exercise care in attaching a specific meaning to such labels. For example the article entitled “Design Classic” reproduced above compares the shape of the applicants’ toaster to other designs, such as the Morris Minor. I doubt whether many people would have said that the shape of the Morris Minor gave substantial value to the goods whilst it was in production. It might do so now. Fashions change. The matter must be decided as at the date of application.

The interview sheets from the applicants’ public survey reveal an interesting range of opinions from those who did not recognise the shape and therefore could only comment on its inherent qualities. Quite a few remarked that the similarly designed opponents’ toaster looked old fashioned - from the 1950s or earlier; some used the description “classic”; to some the shape said robust and functional; other used the term “bulky”; some said it resembled a catering or diner style toaster, possibly from a long established English or American company. A significant number thought it was likely to be an expensive toaster, possibly from a fashionable “designer” label - some of these people mentioned possible Italian or German origins. A few remarked that the retro look was back in fashion. Those that regarded the shape as simply old fashioned generally found the shape less attractive than those who regarded it as a classic, “designer” or retro style.

Whether something has aesthetic appeal is clearly a matter of taste. In most cases the same shape will be capable of provoking markedly different reactions. Some people may be moved to purchase primarily on eye appeal whereas others may be put off when confronted with the same shape. The question of whether a shape gives substantial value to the goods will therefore depend on whether there is a significant section of the public to whom the inherent qualities of the shape appeal sufficiently strongly so as to contribute substantially to the value of the goods in their eyes.

Generally speaking, this is much more likely to be the case where the shape of the goods themselves is at issue rather than the shape of packaging.

5 As I have already observed, the applicants plead in their favour under the heading of distinctiveness, the fact that their AET toaster has been recognised as a *design* classic. I also found it very illuminating that in selecting people to take part in the public survey, the applicants only included those who agreed with the statement “The *design* of things I buy is as important as how well they work” (my emphasis). That strongly suggests that the applicants themselves consider that the eye appeal of their products to be as important to their potential customers as
10 the quality of their goods. It is likely that the eye appeal of the applicants’ goods has become increasingly important as retro styled products have become fashionable. The applicants appear to have recognised this themselves because the latest toaster (RET) takes this retro style a stage further, replacing the only really angular feature of the previous model with further curves.

15 Taking these factors together with the evidence on pricing, I have (not without some hesitation) come to the conclusion that the weight of the evidence supports the opponents’ contention that the eye appeal of the signs in questions gives substantial value to the goods. The opposition under Section 3(2)(c) of the Act is therefore successful.

20 **SECTION 3(1)(a)**

Section 3(1)(a) of the Act is as follows:

The following shall not be registered -

25

Signs which do not satisfy the requirements of Section 1(1).

Section 1(1) of the Act is as follows:

30

In this Act a trade mark means any sign which is 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.

In deciding whether the shapes at issue are excluded from registration under Section 3(1)(b) & (c) of the Act, I assumed that the shapes qualify as trade marks under Section 1(1) of the Act. In the light of my conclusions under Section 3(2)(c) I will go on to consider whether that assumption was justified and whether the shapes of the applicants' toasters are capable of being trade marks at all. In the Philips case, referred to above, Jacob J. said:

"Some matters are basic to any rational law of trade marks. I believe this case involves such a problem, involving as it does the question of the extent to which trade mark law, conferring a perpetual monopoly, can interfere with the freedom within the European Union of manufacturers to make an artefact of desirable and good engineering design.

With that sort of consideration in mind I turn to the Directive. Recital 7(b) emphasises that capability of distinguishing is a fundamental requirement of the sort of sign which can be registered. I do not think one can disregard this. It is, in my opinion, important that a capacity to distinguish is put forward as a limitation, at this very early stage. I further think it is significant to note that Recital 10(a) places particular importance on the purpose of the trade mark - to guarantee trade origin. If that is what trade marks are for, then a sign which can never fully do that is not, in my judgement, to be regarded as capable of distinguishing.

I think that is the case here. Philips can never get away from the fact that the sign primarily denotes function. More use could not make any difference. The sign can never only denote shavers made by Philips and no-one else because it primarily says "Here is a three headed rotary shaver". It is not capable of denoting only Philips goods."

Mr Arnold argued that this case was on all fours, and there are clear similarities. Mr Purvis sought to distinguish this application on the basis that the Philips case was concerned primarily with a purely functional shape. These shapes are not opposed on that footing. Where a shape consists

exclusively of a good functional shape, the public will probably always regard the shape as primarily denoting function. Where a shape consists of a combination of functional and styling features there is at least a possibility that the styling features may come to denote the goods of one undertaking. However, on the evidence before me it appears that the shapes in question so readily characterise a particular *style* of toaster that I doubt whether they are capable of acquiring a trade mark character with more use. Accordingly, if my earlier findings are correct, the shapes are *incapable* of distinguishing the toasters at issue as being the goods of one undertaking. The opposition under Section 3(1)(a) is therefore also successful.

10 **SECTION 41(2)**

Finally, there is the matter of whether the shapes of the AET and the RET constitutes a series of marks within the meaning of Section 41(2) of the Act, which is as follows:

15 (2) A series of trade marks means a number of trade marks which resemble each other as to their material particulars and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark.

In the light of my earlier finding that the shapes in question are not marks at all, there is strictly no need for me to decide the matter. However, in case I am subsequently found to have been wrong about this, I will go on and reach a finding.

This provision is effectively the same as Section 21(2) of the Trade Marks Act 1938. It was not generally possible to register the shape of the goods as a trade mark under the old law. The first thing that strikes me is that the applicants are therefore using this provision for a purpose for which it was not originally intended.

The second thing that strikes me is that whereas it is possible for the specific shape of the goods to become a trade mark, it is not possible for a trade mark to subsist in goods shaped in a particular *style*.

Thus, where the shape of the goods really is a trade mark, any *material* variation in that shape is likely to substantially affect its distinctive character and prevent it from forming a series of marks within another resembling shape. It is common ground that the variation to the length of the toasters brought about by the variation in the number of toasting chambers does not substantially affect the identities of the marks. But in my view, the variation between the shape of the ends of the AET and the RET is a material variation of the overall shape. Accordingly, I record here that, had I been required to decide the matter, I would have found the opposition under Section 41(2) to be successful.

At the hearing, Mr Purvis argued that in this event his clients should be able to divide the application under Rule 19(1) of the Trade Mark Rules 1994, which is as follows:

(1) At any time before registration an applicant may send to the registrar a request on Form TM12 for a division of his application (the original application) into two or more separate applications (divisional applications), indicating for each division the specification of goods or services; each divisional application shall be treated as a separate application for registration with the same filing date as the original application.

Mr Arnold submitted that Rule 21 was in fact the relevant provision. He argued that, when interpreting statutory provisions, the specific excludes the general. Rule 21 is entitled “Registration of a series of trade marks; s41. Rules 21(1), (2) & (3) are as follows:

(1) The proprietor of a series of trade marks may apply to the registrar on Form TM3 for their registration as a series registration and there shall be included in such application a representation of each mark claimed to be in the series; and the registrar shall, if satisfied that the marks constitute a series, accept the application.

(2) At any time before preparations for the publication of the application have been completed by the Office, the applicant under paragraph (1) above may request on Form TM12 the division of the application into separate applications in respect of one or more marks in that series and the registrar shall, if he is satisfied that the division requested conforms with section 41(2), divide the application accordingly.

(3) At any time the applicant for registration of a series of trade marks or the proprietor of a registered series of trade marks may request the deletion of a mark in that series, and the registrar shall delete the mark accordingly.

5 Mr Arnold submitted that Rule 21 was specifically intended to cover this situation and Rule 19 should not therefore apply. I accept Mr Arnold's submission. I believe that Rule 19 is intended to cover division of applications on other lines, notably where the goods or services are the subject of the division. Only Rule 21(3) is available to the applicants at this stage. Accordingly, in case I am found to have interpreted the substantive issues incorrectly and the shape of the AET
10 and the RET are found to be registrable, I record here that it is my opinion that the applicants do not have the option of dividing their application so that the different marks in the series constitute separate applications.

The opposition having been successful, the opponents are entitled to a contribution towards their
15 costs. I order the applicants to pay the opponents the sum of £1500.

Dated this 21 Day of September 1998

20

Allan James
For the Registrar
The Comptroller General

25

30