

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 2188531 BY AXIONS SA AND MR CHRISTIAN BELCE-KENNEDY TO REGISTER A TRADE MARK IN CLASS 30

DECISION

Background

1. This is an appeal against a decision of Mr Charles Hamilton, acting for the registrar of Trade Marks, dated 20 February 2001 in relation to an application by Axions SA and Mr Belce-Kennedy (“the applicants”) to register a trade mark in Class 30.
2. Application No. 2188531 bears a filing date of 11 February 1999 and consists of the trade mark CIGAR for the following goods:

Chocolate; biscuits; wafers; cookies; confectionery
3. The main ground for refusal of the application was that under section 3(1)(c) of the Trade Marks Act 1994 (“the TMA”) the trade mark consisted:

exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services.
4. Following a hearing, Mr Hamilton stated in writing his reasons for concluding that the application was barred from acceptance by section 3(1)(c), as follows:

The mark consists of the well known word “cigar” which does not require further definition by reference to a dictionary. In my view the word CIGAR, when viewed in relation to the goods covered by the application, may serve in trade to designate certain characteristics. From my own knowledge, items of confectionery are manufactured and sold in novelty shapes, the classic example being chocolate Easter eggs. The fact that the goods are not related to smoking is not relevant and I have to consider the possible effect that registration of this mark might have on other businesses in the food trade. For instance, it would seem perfectly reasonable that a novelty confectionery merchant would wish to describe, e.g. chocolate in the shape of a cigar as a cigar chocolate and use such a description in the promotion of these goods.

5. In support of his findings under section 3(1)(c), Mr Hamilton relied upon the decision of Mr Simon Thorley QC sitting as the Appointed Person in *DAY BY DAY Trade Mark*, 11 December 1997 to the effect that regard must be had to natural use in the context of advertising. Mr Hamilton also cited the following passage from the judgment of Mr Geoffrey Hobbs QC sitting as the Appointed Person in *AD2000 Trade Mark* [1997] RPC 168 at 176:

Although section 11 of the Act contains various provisions designed to protect the legitimate interests of honest traders, the first line of protection is to refuse registration of signs which are excluded from registration by the provisions of section 3. In this regard, I consider that the approach to be adopted with regard to registrability under the 1994 Act is the same as the approach adopted under the old Act. This was summarised by Robin Jacob Esq. QC in his decision on behalf of the Secretary of State in *Colorcoat Trade Mark* [1990] RPC 511 at 517 in the following terms:

“That possible defences (and in particular that the use is merely a bona fide description) should not be taken into account when considering registration is very well settled, see e.g. *Yorkshire Copper Work Ltd’s Trade Mark Application* (1954) RPC 150 at 154 lines 20-25 per Viscount Simonds LC. Essentially the reason is that the privilege of a monopoly should not be conferred where it might require ‘honest men to look for a defence’.”

6. Having decided that the mark failed to qualify under section 3(1)(c) of the TMA, it followed, in Mr Hamilton’s view, that the mark was also devoid of any distinctive character within the meaning of section 3(1)(b) of the Act.
7. The applicants adduced no evidence of use. Mr Hamilton had therefore only the prima facie case to consider.
8. The applicants offered to limit the specified goods in order to overcome the section 3(1)(c) objection by adding the words: “but not including any such goods in the form of cigars”. Mr Hamilton rejected the applicants’ offer on the ground that such limitation would render the mark deceptive under section 3(3)(b).

The appeal

9. On 20 March 2001 the applicants gave notice to appeal to an Appointed Person under section 76 of the TMA requesting that the hearing officer’s decision of 20 February 2001 be reconsidered and reversed.
10. Mr James Mellor, appearing on behalf of the applicants, summarised the grounds for appeal in the following terms:

The essential point on this Appeal is that the Hearing Officer applied far too stringent a test. His approach was out of step with the jurisprudence of the Court of First Instance which existed prior to

Baby-Dry. Perhaps of greater relevance, his reasoning was clearly far too stringent in the light of the recent judgment of the ECJ in *Baby-Dry*.

11. Mr Mellor's reference to *Baby-Dry* is to the judgment of the European Court of Justice in *Procter & Gamble Company v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case C-383/99P, 20 September 2001. Mr Mellor signified his intention also to rely upon the Opinion of Advocate General Jacobs in that case delivered on 5 April 2001.
12. Otherwise the applicants rely in this appeal on the same arguments that were put to the hearing officer, in summary, that the mark is not totally descriptive but is distinctive and indeed fanciful when applied to chocolate, biscuits, wafers, cookies and confectionery since those goods have nothing to do with tobacco or smoking.
13. Mr Allan James, appearing on behalf of the registrar, did not dispute that the law had moved on, but with the possible exception of the limitation stood by Mr Hamilton's conclusions arrived at in this case.

Approach to section 3(1)(c)

14. Both parties agreed that the correct approach I should adopt to section 3(1)(c) is as set out by the Court of Justice in *BABY-DRY*, supra.
15. *BABY-DRY* concerns the registrability of a Community trade mark ("CTM") under art. 7(1)(c) of the Community Trade Mark Regulation, 40/94/EC ("CTMR"). However, art. 7(1)(c) of the CTMR is in the same terms as art. 3(1)(c) of the Trade Marks Harmonisation Directive, 89/104/EEC ("the Directive") which in turn is implemented in United Kingdom law by section 3(1)(c) of the TMA.
16. *BABY-DRY* raises the important question of the purpose behind art. 7(1)(c) of the CTMR (art. 3(1)(c) Directive, section 3(1)(c) TMA) especially when viewed against the backdrop of the fair use defences to trade mark infringement contained within art. 12 (art. 6 Directive, section 11 TMA).

Purpose of section 3(1)(c) and its relationship with section 11(2)(b)

17. In his Opinion in *BABY-DRY*, A.G. Jacobs states (at para. 78) that:

... it may be better to think of Article 7(1)(c) of the [CTMR] as intended not to prevent any monopolising of ordinary descriptive terms but rather to avoid registration of descriptive brand names for which no protection could be available.
18. He explains (at para. 77) that he arrives at that view because the concern that certain signs and indications must be kept freely available for other traders to use is dealt with by art. 12 of the CTMR, which, as regards indications concerning the characteristics of goods or services, limits at art. 12(b) the effects of a CTM: "by ensuring that use of such indications – for descriptive

purposes rather than as brand indications – cannot be prohibited by a trade mark proprietor”.

19. A.G. Jacobs goes on to state (at para. 79):

... the view I am putting forward here may appear to conflict with some passages in the *Windsurfing Chiemsee* judgment [Joined Cases C-108/97 and C-109/97 [1999] ECR I-2779 especially at paras. 25 to 28]. There, the Court held that Article 3(1)(c) of the Trade Marks Directive (equivalent to Article 7(1)(c) of the Regulation) “pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all” and that Article 6(1)(b) (which corresponds to Article 12(b) of the Regulation) does not have a decisive bearing on that interpretation.

20. Mr Mellor differentiated *Windsurfing* as dealing with geographical indications, which according to A.G. Jacobs in *BABY-DRY* possess “special status” and “occupy the ground much more completely than would that of a mark comprising descriptive elements”.

21. It may be, however, that any difference is more apparent than real when the view expressed by A.G. Jacobs in *BABY-DRY* is considered alongside the following statement by the Court of Justice in *Windsurfing* (at para. 28, emphasis provided):

Article 6(1)(b) [Directive] [art. 12(b) CTMR, section 11(2)(b) TMA], which aims, inter alia, to resolve the problems posed by registration of a mark *consisting wholly or partly* of a geographical name, does not confer on third parties the right to use the name as a trade mark but merely guarantees their right to use it descriptively, that is to say, as an indication of geographical origin, provided that it is used in accordance with honest practices in industrial and commercial matters.

22. The Court of Justice in *BABY-DRY* arrives at its determination of the purpose of art. 7(1)(c) of the CTMR (art. 3(1)(c) Directive, section 3(1)(c) TMA) through a holistic consideration of the relevant provisions (at paras. 35 to 38, emphasis provided):

Under Article 7(1) of Regulation No 40/94, trade marks are not to be registered if they are devoid of distinctive character (subparagraph (b)) or if they consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of the goods or of rendering the service, or other characteristics of the goods or service (subparagraph (c)).

Under Article 12 of Regulation No 40/94, the rights conferred by the trade mark do not entitle the proprietor to prohibit a third party from using, in the course of trade, indications concerning the kind, quality,

quantity, intended purpose, value, geographical origin, the time of production of the goods or the time of rendering the service or other characteristics of the goods or service, provided he uses them in accordance with honest practices in industrial or commercial matters.

It is clear from those two provisions *taken together* that the purpose of the prohibition of registration of purely descriptive signs or indications as trade marks is ... to prevent registration as trade marks of signs or indications, which, *because they are no different from the usual way of designating the relevant goods or services or their characteristics, could not fulfil the function of identifying the undertaking that markets them* and are thus devoid of the distinctive character needed for that function.

That interpretation is the *only interpretation* which is also compatible with Article 4 of Regulation No 40/94 [art. 2 Directive, section 1(1) TMA], which provides that a Community trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

23. Mr James acknowledged before me that section 3(1)(c) of the TMA “is not concerned with the notion of keeping signs fully for use, which we now understand Article 6 of the Directive addresses”. Insofar as Mr Hamilton’s decision was admittedly based on that notion, it is clearly wrong.

Test for descriptiveness under section 3(1)(c)

24. That, of course, is not the end of the matter. I must still determine whether the mark CIGAR is barred from registration for chocolate, biscuits, wafers, cookies and confectionery by section 3(1)(c) of the TMA.
25. In order to perform that exercise both parties took me to paragraphs 39 to 40 of the Court of Justice’s judgment in *BABY-DRY*, each understandably emphasising different passages within those paragraphs. I find it of assistance to set out paragraphs 39 and 40 in full:

The signs and indications referred to in Article 7(1)(c) of Regulation 40/94 [art. 3(1)(c) Directive, section 3(1)(c) TMA] are thus only those which may serve in normal usage from a consumer’s point of view to designate, either directly or by reference to one of their essential characteristics, goods or services such as those in respect of which registration is sought. Furthermore, a mark composed of signs or indications satisfying that definition should not be refused registration unless it comprises no other signs or indications and, in addition, the purely descriptive signs or indications of which it is composed are not presented or configured in a manner that distinguishes the resultant whole from the usual way of designating the goods or services concerned or their essential characteristics.

As regards trade marks composed of words, such as the mark at issue here, descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form. Any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark.

26. The mark at issue comprises a single word presented in a non-figurative manner. The applicability of section 3(1)(c) falls to be determined in accordance with the first sentence of paragraph 39 of the Court of Justice's judgment in *BABY-DRY*. The relevant question is whether CIGAR may serve in normal usage from a consumer's point of view to designate, either directly or by reference to one of their essential characteristics goods such as those in respect of which registration is sought. Mr Mellor indicated that this was the correct test in his skeleton argument and I did not understand Mr James to suggest anything otherwise.
27. Moreover it is common ground that the question must be asked through the eyes of the average consumer who is reasonably well informed and reasonably observant and circumspect (*Lloyd Schufabrik Meyer & Co. GmbH v. Klijsen Handel BV*, Case C-342/97 [1999] ECR I-3830 para. 26). Although I have heard no argument on the point, I believe it incontrovertible that the relevant class of consumer of the goods applied for – chocolate, biscuits, wafers, cookies and confectionery - is the public at large.
28. Mr James acknowledged that the registrar's objections to registrability are based upon the assumption that "what is at issue here is really novelty-shaped confections in the shape of cigars – chocolate cigars ...".
29. I have some reservations over such an approach. In a different context the Court of Appeal has held that the absolute grounds for refusal of registration in the Directive and the TMA apply with reference to the goods in respect of which registration is sought (*Philips Electronics NV v. Remington Consumer Products Ltd* [1999] RPC 809 – "electric shavers" rather than "the head of a three-headed rotary shaver").
30. Mr Mellor says that even if the applicants were making chocolate cigars, CIGAR is not the normal way in which the consumer would designate the chocolate or its characteristics. The consumer would describe the product as chocolate or cigar-shaped chocolate or a chocolate cigar. Furthermore, it is implicit in the *BABY-DRY* decision that other traders would be free to sell or advertise for sale cigar-shaped chocolate or chocolate cigars (Opinion of A.G. Jacobs, 5 April 2001, paras. 77 and 96 and footnote 36).
31. The hearing officer in his decision used the expression "a cigar chocolate". Mr Mellor draws attention to this as an unusual expression. It is unusual because it is an abbreviation of "cigar-shaped chocolate". That syntactical difference from the usual way of referring to cigar-shaped chocolate suffices

according to the reasoning of the Court of Justice in *BABY-DRY* to indicate that the mark does not fall foul of section 3(1)(c).

32. In further support of his argument that CIGAR may be allusive but is not directly descriptive of the applicants' goods or their characteristics, Mr Mellor referred me to the decision of the Court of First Instance *Zapf Creation AG v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)(NEW BORN BABY)*, Case T-140/00, 3 October 2001. The Court of First Instance overturned the finding of the Third Board of Appeal that NEW BORN BABY was descriptive of dolls within the meaning of art. 7(1)(c) of the CTMR. The Court said (at paras. 25 and 26):

As to that finding, even if the sign NEW BORN BABY could be regarded as descriptive of that which the dolls represent, this would not be sufficient to prove that the sign in question is descriptive of the dolls themselves.

A sign which is descriptive of that which a toy represents cannot be considered to be descriptive of the toy itself, other than in so far as the persons targeted, when making their purchasing decision, conflate the toy and what it represents. But the contested decision makes no finding to that effect ...

33. Going back to Mr Hamilton's expression "a cigar chocolate", Mr Mellor says that CIGAR does not convey an unequivocal meaning to the consumer in relation to the goods. For example, it might indicate to some that it is a cigar-flavoured chocolate although he admits the concept is not "great".
34. In that regard, Mr Mellor additionally referred me to the Court of First Instance decisions in *Wm. Wrigley Jr. Company v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (DOUBLEMINT)*, Case T-193/99, 31 January 2001 and *Bank für Arbeit und Wirtschaft AG v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)(EASYBANK)*, Case T-87/00, 5 April 2001. These decisions are to the effect that in order to be regarded as having an exclusively descriptive character for the purposes of art. 7(1)(c) of the CTMR, a sign or indication must enable the relevant consumer to identify immediately and without reflection the goods or services at issue, or one or more of their characteristics.
35. Mr James' case is that CIGAR is the normal way of referring to the goods at issue, which, as mentioned above, are assumed by the hearing officer and Mr James to be cigar-shaped novelty confectionery. In *NEW BORN BABY* terms, Mr James' view is that the public concerned will conflate the chocolate with what it represents, that is, a cigar.
36. It became clear during the hearing of this appeal that Mr James very much equates the present application with "toy" or "sweet" cigarettes. He reminisces back in time when children bought toy or sweet cigarettes in corner shops. I am mindful of the guidance of Morrill L.J. in *BACH and BACH FLOWER REMEDIES Trade Marks* [2000] RPC 513 at 526 that in applying

the absolute grounds for refusal “it is both permissible and necessary ... to determine the meaning of the word as used at the time of the application for registration”.

Decision

37. I am not persuaded that at the date of the present application -11 February 1999 – CIGAR was a term used (or which might be used) in the common parlance of the relevant public to designate chocolate, biscuits, wafers, cookies or confectionery or their essential characteristics. Instead, because those goods have nothing to do with tobacco or smoking, the mark is fanciful and possessed of sufficient individuality to indicate that the goods with reference to which it is to be used recurrently by the applicants are those of one and the same undertaking and, so qualifies for registration as an unused mark under the 1994 Act (*AUTOMOTIVE NETWORK EXCHANGE Trade Mark* [1998] RPC 888).
38. In my view, that is the case whether or not the applicants use the mark in connection with cigar-shaped chocolate, biscuits etc within the specification. Although Mr James indicated that the registrar might reconsider her objections to the mark if the goods were limited to exclude cigar-shaped ones, I do not believe that any such limitation is necessary in order to protect the origin significance of the mark.
39. I find that the mark is not barred from registration by section 3(1)(c) of the TMA since it does not consist exclusively of indications that are descriptive of the applicants’ goods. Furthermore, because CIGAR is fanciful when viewed in relation to the applicants’ goods, the mark is not devoid of any distinctive character for the purposes of section 3(1)(b).
40. In the result the appeal is allowed and the application is remitted to the registrar for further action in accordance with this decision. As indicated and accepted at the hearing there will be no order for costs in respect of proceedings before me.

Mr James Mellor, instructed by White & Case, appeared on behalf of the applicants

Mr Allan James, Principal Hearing Officer, appeared as the registrar’s representative

Professor Ruth Annand, 1 November 2001