

## **TRADE MARKS ACT 1994**

### **IN THE MATTER OF An application under No 2209049 to register two colours as a trade mark in classes 16, 30,32 & 33**

#### **Background**

1. On 13 September 1999, Harrods Limited applied to register a two colour trade mark in respect of the following goods:

#### **Class 16**

Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); playing cards; printers' type; printing blocks.

#### **Class 30**

Coffee, tea, cocoa, sugar, rice, tapioca, sago, artificial coffee; flour and preparations made from cereals, bread, pastry and confectionery, ices; honey, treacle; yeast, baking-powder; salt, mustard, vinegar, sauces (condiments); spices; ice.

#### **Class 32**

Beers; minerals and aerated waters and other non-alcoholic drinks; fruit drinks and fruit juices; syrups and other preparations for making beverages.

#### **Class 33**

Alcoholic beverages (except beers).

2. The mark was represented on the form of application as a block of the colour olive green with a gold band running through the centre of it.

3. The application form contains a colour claim, which currently reads:-

"The mark consists of the colour green (Pantone No 574C) and the colour gold (Pantone No 874C) as shown on the form of application and as applied to the packaging of the goods applied for."

4. The original wording was slightly different to this but not materially so.

5. The application was examined and an objection was raised under Section 3(1)(b) of the Act because the trade mark was considered to be devoid of any distinctive character when considered in relation to the goods listed in the application.
6. The applicant subsequently filed evidence in the form of a statutory declaration dated 28 December 2000 by Sally-Ann Skate, who is a Solicitor at Harrods. Ms Skate provides details of the applicant's use of the colours applied for intended to demonstrate that the mark has acquired a distinctive character through such use. The objection was maintained.
7. The matter came to be heard on 9 November 2001 when the applicant was represented by Mr Richard Davis of Counsel, instructed by D Young & Co, trade mark attorneys.
8. A little time before the hearing the applicant filed further evidence of the repute of its olive green and gold livery trade mark in the form of the results of an internet search submitted under cover of a witness statement by Gillian Deas, a trade mark attorney of D Young & Co.
9. I maintained the objection under Section 3(1)(b) of the Act and gave brief reasons for my decision to refuse the application at the conclusion of the hearing. I have since been asked to formally state the reasons for my decision, which I now do.

### **The Subject Matter of the Trade Mark**

10. Although the mark is shown on the form TM3 with the colours arranged in a particular manner, Mr Davis indicated that the mark was never intended to be a figurative mark but rather an application to register the colours per se. I believe that this is consistent with the wording of the colour claim on the form, and I approached the question of distinctiveness on this footing.

### **The Case for Registration based upon the Mark's Inherent Distinctiveness**

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

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

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

*become customary in the current language or in the bona fide and established practices of the trade:*

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

## **The Applicant’s Arguments**

12. Mr Davis submitted that:

- (i) following the European Court of Justice’s (ECJ) decision in the Baby-Dry case [2000] ETMR 3, a lower threshold of distinctiveness was sufficient for the purposes of registration;
- (ii) that it was wrong in law to determine the presence or absence of distinctive character by reference to the signs that other traders may wish to use - the so-called depletion theory;
- (iii) that whereas the use of colours in respect of the goods themselves may not normally designate the trade source of the goods, use of colours in relation to packaging was such as to immediately suggest a trade mark purpose to consumers;
- (iv) that two colours should be considered as distinctive as two letter marks, which the Registrar had indicated may be registrable as unused trade marks in Practice Amendment Circular 5/00; and
- (v) that the applicant’s olive green was an unusual shade of green and that, according to the OHIM Board of Appeal in the Wrigley case, [1999] ETMR 214, unusual shades of even a single colour may be registrable.

## **Decision**

13. I accept Mr Davis’ second submission. The Baby-Dry case turned on the correct interpretation of Article 7(1)(c) of the Community Trade Mark Regulation which mirrors Article 3(1)(c) of Trade Mark Directive 104/89, and Section 3(1)(c) of the national law. The court had previously held in joined cases C108 and C109/97, Windsurfing Chiemsee [1999] ETMR 585, that Article 3(1)(c) of the Directive required national authorities to consider the public interest in keeping geographical indications available so that they may be “freely used by all”. In Baby-Dry, the court does not appear to have followed their earlier reasoning in Windsurfing Chiemsee. Instead, in

paragraph 37 of its judgment, the court identified the purpose of Article 7(1)(c) of the Regulation as being:-

*"... 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."*

14. The focus of this enquiry must be the likely reaction to the trade mark of consumers of the goods in question. A normal means of describing the goods will not be perceived as a trade mark by the average consumer and is therefore devoid of any distinctive character. Where the suggestion is that the sign put forward will be mistaken for something other than a description, the enquiry will fall under Section 3(1)(b) rather than 3(1)(c). In the light of Baby-Dry, it may be helpful to think of Section 3(1)(c) as being directed at a specific sub-group of the signs excluded from registration by Section 3(1)(b).

15. It is clear from the wording of the proviso to Section 3(1) that the likely reaction of consumers must be assessed as of the date of the application, although it may, in an appropriate case, extend to what was reasonably foreseeable at that date.

16. Even before Baby-Dry the test for distinctive character under Section 3(1)(b) has generally focussed on the likely reaction of consumers to the trade mark. So, in Yakult Honssha KK's Application [2001] RPC 756, Laddie J. described the correct approach under Section 3(1)(b) like this:

*"Where inherent distinctiveness is concerned, the Registry has to find that the mark performs the function of identifying origin even before the public is educated that it is so used for that purpose. Where invented, non-descriptive word marks are concerned, it may be easy to come to such a finding. But where a container is in issue it may well be much more difficult."*

17. I do not therefore accept Mr Davis' first submission, that the Baby-Dry decision has lowered the degree of distinctive character required for registration across the full spectrum of trade marks. Indeed, if the presence or absence of distinctive character is to be assessed by reference to the likely reaction to the sign of consumers of the goods in question, it is pointless to talk in the abstract of a 'high' or a 'low' threshold. If the sign will function as a trade mark in normal and fair use it has at least some distinctive character; if not it has none.

18. I do not accept Mr Davis' third submission, that whereas colours applied to goods may not be

taken as having any trade mark character, the opposite is true of colours applied to packaging. There is no evidence to support the general proposition behind that submission, and it contrasts with my own experience. The average consumer is deemed to be reasonably observant, but his level of attention varies from one product to another: Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel BV [1999] ETMR 690. At least as far as consumer goods are concerned, the colours on packaging are not generally taken to indicate the trade source of the goods. Expectations of this nature are generally fostered through extensive use of the colour(s) in question.

19. I drew Mr Davis' attention to a number of recent decisions of the Court of First Instance (CFI) at the ECJ concerning the registrability of various colour combinations applied to dishwasher tablets, and two dimensional representations of such goods. One such case involving Henkel KGaA v OHIM is reported at [2002] ETMR 25. At paragraphs 48-49 the Court found that:-

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

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

20. I recognised that the second paragraph of this judgment could be taken as supporting Mr Davis' submission that a distinction should be drawn between those cases where the mark applied for is the appearance of the product itself, and other categories of marks. However, it appears to me that what the CFI is really saying is that the legal test for distinctiveness is the same for all categories of trade marks, but that in applying the law to the facts regard should be given to the fact that the average consumer's reaction to different categories of marks may not be the same. The cases before the CFI were marks that consisted of the appearance of the goods themselves, and their decision therefore naturally concentrated on this category of marks.

21. Mr Davis initially relied upon the Wrigley case as support for the proposition that a distinction should be drawn between colours applied to packaging as compared to colours applied to the goods themselves. In fact closer examination of the decision (particularly paragraph 21) revealed that the Board of Appeal was in fact considering a colour applied to packaging.

22. In any event, I do not see why a sharp distinction should be drawn between these categories of marks, at least where consumer goods are concerned. There will no doubt be cases where colour applied to packaging is inherently more distinctive than would be the case if it were applied to the goods themselves. Similarly, as I think Mr Davis accepted, there will be cases where a colour applied to the goods themselves is more distinctive. For example, the applicant's specification includes 'beer'. Green beer would be quite distinctive. A green can for beer would be unexceptional. Each case turns on its own facts.

23. I believe it is possible to say that, particularly where consumer goods are concerned, conventional trade origin message carriers such as words and figurative marks will, in general, be better placed to satisfy the average consumer test for distinctiveness than unusual trade origin message carriers, which include, in my view, the colour(s) of packaging.

24. I reject Mr Davis' fourth submission that two colours should be regarded in an analogous way to a two letter mark. I do not believe that the average consumer would react to an arbitrary two letter mark, such as 'TZ' for beer, in the same way that he would react to an olive green can with gold trimming. The former would readily function as a trade mark. The latter would not operate as a trade mark without extensive education of the public.

25. I accept Mr Davis' fifth submission that, in principle, an unusual shade of even a single colour may be registrable. Everything depends upon the facts. I do not regard olive green as an unusual shade of green for use on the packaging material for foodstuffs, drinks, printed matter, stationery, and the other goods listed in Class 16 of the specification. Nor do I consider that the use of the colour gold as a contrasting colour on packaging is in any way unusual or distinctive, particularly if it is used (as per the applicant's use) in the form of a trim.

26. I do not believe that the average consumer of the goods at issue would readily and without education, attach any trade origin significance to the fact that the goods come in packaging coloured olive green and gold.

27. I do not consider that the applicant's identification of its colours by Pantone numbers (necessary though that is to provide a fixed point of reference if the mark is registered) would materially affect the average consumer's reaction to the mark. Without use, one shade of olive green and gold is no more distinctive than other shades of these colours.

28. I therefore find that, prima facie, the trade mark is excluded from registration by Section 3(1)(b) of the Act.

### **The Case for Registration based upon Acquired Distinctiveness**

## The Law

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

*"In assessing the distinctive character of a mark in respect of which registration has been applied for, the following may also be taken into account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations"* (paragraph 51).

*"If, on the basis of those factors, the competent authority finds that the relevant class of persons, or at least a significant proportion thereof, identify the goods as originating from a particular undertaking because of the trade mark, it must hold that the requirement for registering the mark laid down in Article 3(3) of the Directive is satisfied"* (paragraph 52).

## The Evidence

30. Ms Skate gives evidence based upon her own knowledge and company records, that the applicant's famous department store in Knightsbridge started using the colours green and gold on staff uniforms in 1909. Since 1967 the colours green and gold have been the applicant's "dominant" trading colours. Use on carrier bags began in 1935 in relation to goods sold during the sales. According to the article which is exhibit SAS3 to Ms Skate's declaration, the date when those colours were adopted for the store's main carrier is a bit of a mystery, but it seems to have been in the mid 1970s. The exact colours used by the applicant were changed in 1984 to match those specified in the application.

31. The colours have been applied to the exterior of the department store since at least 1995. The colours have also been used on the store's delivery vehicles, in-store stationery, such as store guides, and luxury coaches used for sightseeing trips around London.

32. I find the information Ms Skate provides about the use of the trade mark colours in relation to the goods listed to be incomplete, ambiguous and a little contradictory. She states at paragraph 12 of her declaration that the mark has been used in respect of a range of goods. Those that fall within

the scope of the application are:

**Class 16**

Wrapping paper, playing cards, stationery sets, books about Harrods, cookery books, bridge sets and pen sets.

**Class 30**

Lemon drops, English tea.

**Class 32**

Lager.

33. Ms Skate also mentions a trade in "PVC bags", which she lists as appropriate to Class 18 of the international classification (which is not covered by the application).

34. Ms Skate goes on to provide sales figures for 1993-95. These include goods in Class 16 and a number of classes not covered by the application, but none in Classes 30, 32 or 33 which are. According to these figures the applicant sold nearly 87K pens in 1995 at a value of around £250K, and around 4.5K pencils (although pencils are not in the list of goods set out in paragraph 12 of Ms Skate's declaration). In addition over 22K "stationery" were sold in 1995 (which in the light of Ms Skate's first list I assume to be stationery sets) at a value of approximately £112K. In the same year 54K "PVC bags and aprons" were sold at a value of approximately £480K. No sales figures for any of these goods are provided for any period subsequent to 1995 (bearing in mind that the date of application is September 1999).

35. Ms Skate states that all the goods sold by her company, except those that are sold through the food halls, "are now" (her declaration is dated December 2000) "handed to the customer in packaging - bearing the trade mark". Ms Skate states that in excess of 16M plastic carrier bags bearing the trade mark colours are ordered each year. Cardboard and paper packaging bearing the colours is also used. She then goes on to provide "sales values" of the goods covered by the Class 16 part of the application. The figures are around £10M per annum. Unlike the earlier figures they go from 1993 right up to (and past) the date of the application. The figures far exceed the sales figures Ms Skate provides for specific Class 16 goods (even if the figures for sales of "PVC bags" are included). I am left with the impression that these figures represent the sum expended by the applicant on packaging materials. The customer is not usually charged for packaging material, and I believe that the reference to "sales values" may therefore be misleading. I understand that the applicant does sell one type of PVC bag, and this may account for the sales figures of around £0.5M described in paragraph 12 of Ms Skate's declaration.

36. Ms Skate states that the green and gold bags are not used in the applicant's food halls.

However, Ms Skate advises that such goods are "frequently labelled, packaged or boxed" in the trade mark colours green and gold.

37. Ms Skate provides sales figures for the applicant's food halls for 1993-2000, from which it appears that, on average, the applicant achieves sales of just under £20M per annum. Since 1996 a direct mail customer ordering system has been in operation accounting for sales of a further £3-4M per annum. No further information is provided about the use of the trade mark in relation to goods provided through this service.

38. Ms Dea's evidence consists of numerous print outs of pages from internet sites downloaded in 2001. The sites, some of which are for overseas organisations, contain numerous references to the Harrods' green and gold colours, sometimes described as "traditional", "famous" or "distinctive". A significant minority pick out the applicant's green and gold carrier bags for particular mention.

## **Decision**

39. Since September 2000 the Registrar has accepted applications to register trade marks in respect of the key aspects of a retail service, namely the bringing together of goods so that customers can conveniently view and purchase those goods from (whatever) type of retail establishment. One of the main reasons for this change in practice was that there existed real doubt about whether retailers without "own brand" goods could register their marks for any goods or services.

40. Section 10(4)(b) of the 1994 Act states:

*"(4) For the purposes of this section a person uses a sign if, in particular, he -*

*(b) offers or exposes his goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;"*

41. It can be argued from this provision that use by another trader that counts as infringement must, if undertaken by the proprietor of the trade mark, similarly be regarded as use of the mark in relation to the goods. However, the Registrar's doubts as to the correctness of that analysis seem to have been shared by at least one prominent intellectual property judge. In Euromarket Designs Inc v Peters and Crate & Barrel Ltd [2001] FSR, Mr Justice Jacob said, that the definition of "use" under the Act may be different for different purposes. In particular he said:

*"If one looks at the advertisements they are essentially for the shops. True it is that some of the goods mentioned in the advertisements fall within the specification, but I*

*doubt whether the reader would regard the use of the shop name as really being "in relation" to the goods. I think that this is an issue worthy of trial itself."*

*"In this connection it should be borne in mind that the Directive does not include an all-bracing definition of "use", still less of "use in relation to goods". There is a list of what inter alia may be specified as infringement (Article 5(3) corresponding to Section 10(4)) and a different list of what may, inter alia, constitute use of a trade mark for the purpose of defeating a non-use attack (Article 10(2) equivalent to Section 46(2)). It may well be that the concept of "use in relation to the goods" is different for different purposes. Much may turn on the public conception of the use. For instance, if you buy Kodak film in Boots and it is put into a bag labelled "Boots", only a trade mark lawyer might say that Boots is being used as a trade mark for film. Mere physical proximity between sign and goods may not make the use of the sign "in relation to" the goods. Perception matters too."*

42. Earlier this year the Registrar published Practice Amendment Notice 2/02 which concluded that:

*"..... use of a shop name can be use in relation to the goods, if it distinguishes the goods of one undertaking from those of another. If goods are sold under the mark of another party, and are also available at other retailers, it is difficult to see how the use of the shop name serves a trade mark function for the goods. On the other hand if the goods do not carry another party's trade mark, the use of a shop name may be perceived as use of the retail name in relation to the goods, for example the name of a "fruit and vegetable" shop."*

43. The same must apply where the sign in question is not a shop name but a shop's livery.

44. It appears to me that most of the use that the applicant relies upon, such as use on uniforms, carrier bags, store canopies, store decor, labelling and boxing, would be perceived by the average consumer as use in relation to its retail establishments, rather than use in relation to the goods it sells.

45. The fact that the applicant uses a different livery - green and white - in its food halls is another point against the applicant insofar as Classes 30, 32 and 33 of the application are concerned.

46. The only goods in Classes 30, 32 and 33 that the applicant specifically claims were sold bearing the green and gold colour trade mark are lemon drops and tea in Class 30, and lager in Class 32. No sales figures are provided for these goods.

47. The applicant's claim to have used the mark in relation to a range of goods that fall into Class

16 is not particularised, except in relation to pens, pencils and stationery sets. The sales figures for these goods are relatively small compared to the likely size of the market. Further, the figures end in 1995 - four years before the relevant date.

48. As a (small) proportion of the applicant's carrier bags are sold to the public, it can claim some use of the trade mark colours green and gold in relation to a trade in these goods. Ms Skate classifies the goods that are sold in Class 18 (which is not in the application). However, even if I were to assume that the goods traded in are proper to Class 16, the use of the mark in relation to a trade in carrier bags cannot assist this application. The applicant's mark is defined on the application form as being the trade mark colours "*applied to the wrapping, packaging and/or labelling of the goods applied for*". In the case of carrier bags, the applicant applies the colours to the goods themselves. The use that is relied upon in respect of carrier bags is not therefore of the mark applied for.

49. It is also necessary to keep in mind that use of a mark does not necessarily equate with distinctiveness: Bach Flower Remedies [2000] RPC 513. The limited use shown of the mark applied for in respect of goods in the application is further devalued by the fact that the trade mark colours green and gold are used in a supporting role to the distinctive word mark "Harrods". Although it is possible for inherently non-distinctive supporting marks to acquire a distinctive character this will, in general, be more difficult to establish where the use is always secondary to some other distinctive sign: see Treat [1996] RPC 281.

50. The applicant has not brought forward any direct evidence from consumers or the trade to demonstrate that the trade mark colours green and gold have acquired a distinctive character for any goods.

51. The internet site evidence demonstrates that the applicant is widely known to have a green and gold livery. Again this association appears to be in relation to its retailing activity rather than as a trade mark for goods. Further, there is a subtle but crucial distinction between knowing that Harrods has a green and gold livery and regarding a green and gold livery as a sign that identifies the trade origin of goods or services as only Harrods. The superficial nature of the supporting evidence filed makes it impossible to assess the true nature of the association shown between the colours and the store.

52. For all these reasons, I determined that the applicant had not satisfied the onus that is upon it under the proviso to Section 3(1) (see Dualit Limited's Application [1999] RPC 899), to show that the mark had acquired a distinctive character for the goods at issue, prior to the date of the application.

53. The application was therefore refused because the trade mark is excluded from registration by

Section 3(1)(b) of the Act.

**Dated this    Day of May 2002**

**Allan James**  
**For the Registrar**