TRADE MARKS ACT 1994

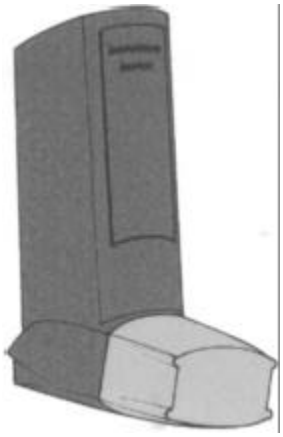
IN THE MATTER of application N$^{o.}$ 2138981
by Glaxo Group Limited

and

IN THE MATTER of opposition thereto under N$^{o.}$ 50808
by Riker Laboratories.

Background

1. On 12th July 1997 Glaxo Group Limited of Glaxo Wellcome House, Berkeley Avenue, Greenford, Middlesex, UB6 0NN, UK applied to register the following device mark:



The colours light green and dark green are claimed as an element of the mark, for goods in Classes 5 and 10, respectively:

> "Pharmaceutical preparations containing salmeterol xinafoate or a solvate thereof sold in a metered dose aerosol container or dry powder inhaler which delivers 25 or 50 micrograms of active ingredient per actuation."
>
> "An inhaler device for use in conjunction with an aerosol can containing salmeterol xinafoate or a solvate thereof sold in a metered dose aerosol container or dry powder inhaler which delivers 25 or 50 micrograms of active ingredient per actuation."

2. Registration is opposed by Riker Laboratories Incorporated, on the following grounds, which are taken from their Statement of Grounds:

> "The Mark should not be registered pursuant to Section 3(1)(b) of the Act in that it is devoid of any distinctive character in relation to the goods for which protection is sought.
>
> The Mark should not be registered pursuant to Section 3(1)(c) of the Act in that it consists exclusively of a sign which serves to designate a characteristic of the goods. It consists of a picture of the Class 10 goods and of the container in which the Class 5 goods are sold. The colour combination designates the nature of the Class 5 goods and

the goods contained within the Class 10 goods.

The Mark should not be registered pursuant to Section 3(1)(d) of the Act in that it consists exclusively of signs which have become customary in the *bona fide* and established practices of the trade to designate the nature of the Class 5 goods and the nature of products contained within the Class 10 goods.

The Mark should not be registered pursuant to Section 3(3)(a) of the Act. Registration would be contrary to public policy, as monopoly rights obtained through this registration could put members of the public at risk. Moreover, registration would deter other traders from using a two-tone colour combination which indicates characteristics of the product.

The Mark should not be registered pursuant to Section 3(6) of the Act as the application was made in bad faith in that the Applicant did not have, at the date of application, an intention to use the Mark.

The Mark should not be registered pursuant to Section 39 of the Act in that it has been amended after filing. The application was filed together with a limitation to certain colours. That limitation was subsequently amended to a claim to certain colours."

3. The grounds of opposition were denied and both parties requested costs.

4. The matter came to be heard on 13th September 2002, where the opponents were represented by Ms. Carboni of Linklaters, and the applicants by Mr. Foreman of Willoughby & Partners.

THE EVIDENCE

5. The applicants have submitted a great deal of evidence, including a survey, which I consider separately below. I choose not to summarise all the remaining material by rote: it is of variable relevance.

6. However, I will say something about the nature of the products under discussion here, as this does provide pertinent background. The following is based on the material in Exhibits 3 and 4 of the Witness Statement by Mr. Ian Robert Bruce (dated 12th February 2001; Bruce No 1), UK marketing manager of 3M Health Care, for which the opponents are a subsidiary. I refer to the documents entitled *asthma in the under fives* and *Asthma at your Fingertips* by Mark Levy, Sean Hilton and Greta Barnes.

7. 'Relievers', as their name suggests, relieve breathing difficulties when they occur, while 'Preventers' help to protect the airways and reduce the chance of getting asthma symptoms. Also defined are 'Protectors', essentially long lasting relievers. The Serevent product is an example of the latter: it contains salmeterol xinofoate and comes in diskhaler, rotahaler and autohaler product format. These product formats include, and are defined, as:

1	Pressurised aerosol (metered dose) inhaler.	Provides a set dose on mechanical activation.
2	Autohaler.	Releases drug automatically when patient breathes in.
3	Accuhaler.	Provides a set dose of drug in powder form.
	Rotahaler.	
4	Diskhaler.	

8. The first two of these take the general shape of what might be considered to be the typical inhaler device as depicted in the trade mark. The other two are quite different (see Plate 5 in *Asthma at your Fingertips*, Exhibit 4, and the *MIMS* catalogue at page 31, Bruce No. 1, Exhibit 2).

THE DECISION

9. At the hearing Ms. Carboni dropped the grounds under ss. 3(3) and 39. There was some contention about what the mark exactly was, and consequently what the evidence actually proved. Ms. Carboni referred me to the application, the advert and this action saying that the mark in each amounted to different things: the application made no claim as to it being shape mark, but depicted a 2-D picture of an inhaler device, claiming the colours green and dark green with 'no mention in the form that the mark is colours applied to a shape or to its surface'. The advert depicts a shades version of the mark and the statement 'The applicant claims the colours green and dark green as an element of the mark'. Yet the Counterstatement refers to the mark as consisting of 'a two-tone green on green colour scheme applied to an inhaler device'.

10. I take the mark as that shown in the application. Thus, it is a depiction of a particular inhaler device, coupled with the colour scheme as shown on the first page of the TM3 form: the dark green is applied to the body of the device, the light to the mouthpiece; for the application to progress the examiner required that the colour scheme be part of the mark and this is the form in which it was advertised. I note that the applicants have not applied for a series of marks, depicting other shapes of inhaler, all incorporating the two tone green colour scheme.

11. I will deal with each of the remaining grounds in turn, taking them in reverse order.

S. 3(6): Bad faith

12. S. 3(6) states:

> "(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith."

S. 32(3). This section states:

> "(3) The application [for a trade mark] shall state that the trade mark is being used, by the applicant or with his consent, in relation to those goods or services, or that he has a *bona fide* intention that it should be so used."

I wish, first, to take a short excursus to comment on bad faith and lack of intention to use a mark.

13. I note the following from the *Demon Ale* ([2000] RPC 345) case, from page 355:

> "The focus of attention under Section 3(6) is the propriety of the applicant's claim to the protection he seeks. The words 'if or to the extent that the application is made in bad faith' in Section 3(6) and the similar wording in the parallel Community legislation emphasise that the propriety of the application must be tested with particular reference to the specification of goods or services (and therefore the scope of protection) for which registration of the sign in issue has been requested. That accords with Article 13 of the Directive which provides (with emphasis added) that:
>
> > 'Where grounds for refusal of registration **or for revocation or invalidity of a trade mark** exist in respect only of some of the goods or services for which that trade mark has been applied for **or registered**, refusal of registration **or revocation or invalidity** shall cover those goods or services only.' "

As the Appointed Person stated, this provision '..envisages that the coverage of an application for registration will (where possible) be restricted to the extent necessary to confine it to goods or services for which the trade mark in question is fully registrable.' If there is bad faith weaved into an application, it behoves the Registrar to untangle the same by amendment to the specification associated with it, if she can.

14. The Appointed person in *Demon Ale* also cited the observations of Lord Nicholls on the subject of dishonesty in *Royal Brunei Airlines Sdn. Bhd. v. Philip Tan* [1995] 2 AC 378 (PC) at p. 389, garnering support for the view that a finding of bad faith may be fully justified even in a case where the applicant sees nothing wrong in his own behaviour. *Gromax Plasticulture Ltd v. Don & Low Nonwovens Ltd* [1999] RPC 367 speaks of dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined (p. 379).

15. One example of bad faith occurs through an application of s. 32(3), when an applicant signs a Form TM3 declaring that he has used, or intends to use, his mark and has no such intention. This rather makes the veracity of the claim on the TM3 questionable. Most people will say that if you put something in writing, and do not mean it, you will open yourself up to criticism. There are some very cogent reasons why a lack of intention to use a mark should be considered an example of bad faith (see *Kerly's Law of Trade Marks and Trade Names*, 13th Edition, and also the comments of Jacob J in *R. v. Laboratories Goemar SA's Trade Marks; Applications for Revocation by la Mer Technology Inc.* [2002] E.T.M.R. 34, page 389).

16. In *Demon Ale* the applicants could have had no intention to use their mark on beer as they clearly intended to apply it to lemonade. It seems to me that the applicants, here, have done something similar. As Ms. Carboni's points out in her skeleton argument, the inhaler device depicted on the Form TM3 is simply the wrong shape for a dry powder inhaler. This contention is expanded in paragraphs 57ff of her Witness Statement.

17. Thus, the applicants cannot have had any intention to use the mark on a dry powder inhaler device because these do not come in the form the mark depicts (see above at paragraphs 6 and 7). As I have pointed out, the mark is the colours shown applied to a particular inhaler

device, not any inhaler device. In view of this, I think the opponents would succeed to this extent at least, on the basis of bad faith. This finding is, perhaps, redundant in the context of the result that follows, but I give it nonetheless.

S. 3(1)(d): Customary in the established practices of the trade and S. 3(1)(c): kind, quality and intended purpose.

> "3.-(1) The following shall not be registered -
>
> (a) … ,
>
> (b) … ,
>
> (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."

18. I have included these two grounds together even though they relate to different objections to registration: s. 3(1)(d) is concerned with trade habits and customs; s. 3(1)(c) with that within a mark indicating, not the origin of a good, but its character or nature. The evidence summary that follows touches on both of these issues.

19. The opponents contend that colour is an accepted method by which inhaler manufacturers distinguish between different types of inhalers, in particular, dose and type of drug. For example, Mr Bruce states (Bruce No. 1) that 'colours are strongly associated with the nature of the inhaler products, even within a manufacturer's own product range'. He gives a number of examples from the MIMS catalogue in Exhibit 2 to that Statement (this is dated Autumn 2000, and after the relevant date). Further, Mr. Bruce says that certain colours are associated with certain products throughout the industry: 'relievers' are blue, while 'preventers' are brown (see also the document 'take control of asthma' in Exhibit 3 to Bruce No. 1). Also cited at Exhibit 11 to Mr. Bruce's second Witness Statement (Bruce No. 2, paragraph 20) are a number of other articles. Many of these documents are rather dated; some of the more recent suggest that a universally accepted colour scheme exists for certain of these products (see those from the *The Guardian* article dated 3rd August 1999, onwards). However, it seems that a colour scheme is not compulsory (see the 'download' from the NetDoctor at page 38, Exhibit 11), which mentions relievers being blue and preventer inhalers being brown. Further, Mr. Bruce speaks of a 'general drive in the pharmaceutical industry towards standardisation of colours'.

20. After studying the asthma section in the MIMs catalogue (Exhibit 2, Bruce No. 1) – even if one assumes it reflects the market as of 1997 - I find that though a number of the products shown do follow this pattern, by no means do they all: the relievers on page 6 appear to be grey and purple, while the preventers on page 11 are purple, those on page 22 more orange

than brown and, as Mr. Bruce admits, those on page 27ff (the non-steroidal) products, appear to come in a variety of colours. There does appear to be colour schemes related to dose *within* a particular manufactures products (see the example on page 12 of the asthma section in the MIMS catalogue), but these schemes are not consistent.

21. Mr. Bruce also makes the claim that green has significance as an indicator of a long acting reliever' (paragraph 33ff, Bruce No. 2). Yet earlier on he also states that 'long-acting relievers' (of which the application is an example) also come in a variety of colours (paragraph 5, Bruce No. 1), though he later qualifies this statement.

22. Based on this evidence, though I cannot conclude that the colour green, or shades thereof, are included in any scheme signifying medication or dose, there is evidence to suggest that blue and brown are. Further, that various such colour schemes are clearly used within a particular manufacturers range. Mr. Bruce's contention that colours might be perceived as indicative of product or dose – that is they are normally so employed within this trade – is not unequivocal, but seems to have some support for certain colours, though not those at issue here.

23. To this finding I must add the depiction of the mark itself. This cannot be taken as anything other than an inhaler device, and I must consider the mark as a whole.

24. Turning to s. 3(1)(d) first, 'customary' indicates a practice that is typical, usual, that is, normal (see paragraph 32, BL O-441-02) within the industry concerned. It is possible to argue that colour, widely used on the products at issue and, sometimes indicative of a characteristic of the goods, has become customary in this trade, particularly placed on a thoroughly non-distinctive depiction such as in this case. Of course, the applicants seek to show in their evidence that green, and their combination thereof, was not widely used in the trade and thus their mark does not *exclusively* consist of signs or indication customary in the *bona fide* and established practices of the trade. I discuss this evidence below, noting that products marketed by other suppliers do, indeed, use green on their products. However, the use does not appear to be extensive, or reflective of the two tone colour combination adopted in the application.

25. Current trademark law suggests that the word 'exclusively' should be taken literally - see *Procter & Gamble Company v. Office for Harmonisation In the Internal Market* [2002] E.T.M.R. 3, at paragraph 39 (which is in relation to Article 7(1)(c) of the Community Trade Mark Regulation (equivalent to Section 3(1)(c) of our Act), but is relevant here).

26. This is a very weak mark. And, the case law is somewhat equivocal about the attitude one should take to marks consisting of the shape of the product itself in colour, suggesting that the same considerations should be given to them as word marks, but then adds that consumers might approach them differently (see paragraph 32 below), having less expectation that they might be a symbol of trade origin. Nevertheless, following a strict application of the word 'exclusively', I am unable to find that the dark green and green combination is customary in the trade. My conclusion is finely balanced, but I find that the ground of opposition under s. 3(1)(d) fails.

27. Turning to the s. 3(1)(c) ground – and noting that and also that the case in question relates to a word mark (as opposed to a shape mark – or depiction of a shape, as the applicants are want to call it) the following comments in the ECJ's BABY-DRY Case (C-383/99) appear relevant:

> "39. The signs and indications referred to in article 7(1)(c) of Regulation 40/94 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 comprised 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 characteristics."

28. The essence of the applicants' objection is that the colour identifies the nature of the medicine under which it is sold, that is, the *intended purpose* of the goods. I think I must find here for the applicants also. Though the evidence relating to colour that it is used as an indicator of the type of medication or of dose, the situation is confused. I do not believe consumers would take this green on green colour combination as indicative of the type or strength of the product itself. This ground also fails - the mark does not exclusively consist of a sign or indication which may serve, in trade, to designate the kind, quantity, intended purpose or other characteristics of goods.

S. 3(1)(b): Devoid of distinctive character

29. Even if I am wrong in my conclusions above, I note the following from case T-33/00 *Henkel KGaA v OHIM* [2002] ETMR 25, where the Court of First Instance found that a dishwasher tablet, embedded with coloured particles, was excluded from registration under Article 7(1)(b) of the CTMR (equivalent to section 3(1)(b) of the Act) notwithstanding that there was no objection under section 7(1)(c) (equivalent to section 3(1)(c)). The court said:

> "The advertising carried out by the applicant and other manufacturers of detergents tends to highlight the fact that those particles indicate the presence of various active ingredients. The coloured particles thus suggest certain qualities, although that does not mean that they can be regarded as a descriptive indication in terms of Article 7(1)(c) of Regulation 40/94. However, it does not follow from the fact that that ground of refusal is inapplicable that the coloured elements necessarily confer a distinctive character on the mark applied for. Where, as in the present case, the target sector of the public sees the presence of coloured elements as a suggestion that the product has certain qualities, and not as an indication of its origin, there is no distinctive character. The fact that consumers may nevertheless get into the habit of recognising the product from its colours is not enough, in itself, to preclude the ground for refusal based on Article 7(1)(b) of Regulation No 40/94. Such a development in the public's perception of the sign, if proved, may be taken into account only for the purposes of Article 7(3) of Regulation No 40/94 (equivalent to the proviso to section 3(1) of the Act)."

30. Also from BL O-441-02, a decision of the Registry, at paragraph 35 the Hearings Officer stated:

> "Mr Hobbs, sitting as the appointed person, has referred to trade marks which are origin neutral and those which are origin specific; i.e. those signs which act as indicators of origin and those which do not (See *Cycling Is ... Trade Mark Application* [2002] RPC 37). The purpose of a trade mark is to act as an indicator of origin. To effect this it must be distinctive of an enterprise. If it does not effect this then it is not distinctive of the enterprise, and so is liable to fall foul of section 3(1)(b). With certain trade marks there is a presumption that they can act as an indicator of origin; for instance an invented word with no allusion to the goods in relation to which it is used. In other

cases the presumption is that a sign can not act as an indicator of origin, without evidence of factual distinctiveness; this might be the case of a single letter mark. Sections 3(1)(c) and (d) define clear parameters as to the nature of the objection, section 3(1)(b) does not give any such definition; it is the section of the Act which gathers those trade marks which fall through the net of sections 3(1)(c) and (d) but still do not fulfil the function of a trade mark."

31. I also note the following from *Henkel KgaA*:

> " 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 three-dimensional trade marks consisting of the shape 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 three-dimensional mark consisting of the shape and the colours of the product itself as it is in relation to a word mark, a figurative mark or a three-dimensional mark not consisting of the shape of 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."

Further, in *Yakult Honsha KK's Trade Mark Application* [2001] RPC 39 Laddie J. said:

> "The relevant question is not whether the container would be recognised on being seen a second time, that is to say, whether it is of memorable appearance, but whether by itself its appearance would convey trade mark significance to the average customer."

32. These passages all have their particular relevance to the matter at hand. Mr. Bruce's contention that colours are perceived as indicative of product or dose has, as I have stated, some support. The issue is by no means cut and dried but, it will, nevertheless, tend to lead one away from the finding that consumers would consider a colour scheme on such a product as indicative of trade origin (c.f. *Henkel KGaA*, above). Again, placed against the background of the Bruce evidence, I do not believe that the mark, as applied for, would convey trade mark significance to the average customer (*Yakult Honsha*). The mark, as a whole – consisting in part of a figurative representation of a product completely non-distinctive in the relevant trade – would be subject to the preconceptions of the average consumer noted in *Henkel KGaA*.

33. BL 0/452/01, a decision of the Registrar, is also relevant. There, a coloured slug of toothpaste was considered, and none of the colour combinations were found to be sufficiently arresting to be distinctive – rather they might have been seen as a reference to the product ingredients.

34. At best, I consider the mark to be origin neutral (*Cycling Is*). The evidence does not convince me that the trade mark in suit would be seen as identifying the business of the applicants. In my view, it cannot be but considered to be devoid of distinctive character under s. 3(1)(b).

Has use saved the mark?

35. The mark fails under s. 3(1)(b). However, the proviso to s. 3 states, in relation to sections 3(1)(a), (b) and (c), the following:

"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."

36. I note the following from BL 0-295-02:

> "78. In the *Windsurfing Chiemsee* case [1999] ETMR 585, the ECJ ruled on the nature of the inquiry as to whether a mark has acquired a distinctive character under Article 3(3) of the Directive (Section 3(1) proviso). It held that the national courts 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. However, the circumstances in which that requirement may be regarded as satisfied cannot be shown to exist solely by reference to general abstract data such as predetermined percentages (paragraph 52).' "

37. The applicants' evidence consists of some of the above, being evidence of use and a survey. I will consider both in turn.

Evidence of use.

38. I note the statement of Mr. Timothy Tordoff's, the applicants' Director of Respiratory Marketing, at paragraph 16ff, that the UK market share is 90.4% (long acting bronchodilator field) and 14.3% of the total respiratory market. Unfortunately, I am not told when this situation existed (though Mr. Tordoff states that his company's product was a market leader in its field since 1990). Material data is after the relevant date (Exhibit 3), but I am willing to accept that the SEVEVENT product has achieved substantial sales, and market share, before that date. In other words, it was a well known product.

39. The applicants claim that the green colours they have used are characteristic of them. See, for example, Exhibit 1 to Mr. Tordoff's Witness Statement, where he states that the 'Green and Green trade mark has been used by my company on an extensive and continuous basis since 1990 in relation to this product'. He also describes the colours as a 'general livery'. As I have found above, this is not the sign before me in this case. And, even if it was, I do not consider that this statement has strong support. Most of the material is either dated after the relevant date 12th July 1997 or is undated. There are some promotional and informational publications before 1997, but I do not see that this evidence amounts to much. The colour combination is not clearly used, though the mark SEVEVENT appears in one green tone. There is no use of the trade mark application as depicted above. And the use would not, in

my view, clearly amount to trade mark use. The colour could be taken to indicate freshness, allusive of breathing without effort – which is unlikely to impress the colour as a trade mark in the mind of consumers.

40. In passing, I note, also from this Exhibit 1, that Allen & Hanbury's (a member of the Glaxo Group of Companies) publish a document on behalf of the British Lung Foundation which contains the following statement:

> "Bronchodilators are very useful drugs because they help you breathe more easily, but they do nothing about the inflammation which is often present with COPD. This explains why you may be prescribed a steroid inhaler if your doctor or nurse thinks this will help. These are supplied in brown, red or orange to distinguish them from the blue or green of bronchodilators. It is important to remember that inhaled steroids are not needed by everyone with COPD, so do not be concerned if you are not prescribed one."

41. This all tends to point away from use of the sign, as perceived by its customers, as being that of a mark of trade.

42. Mr. Tordoff, Mr. Baker (the applicants Vice President, Respiratory Marketing in the US) and Mr. Cox (the applicants' 'global Head of Trade Marks) all make statements to the effect that the use of the green colour on inhalers is unique to the applicants. These are challenged by Mr. Bruce (Bruce No. 2), saying that the use of green is not so exclusive, and has been used on other than the Serevent product:

- Glaxo, by their own admission, used green on a steroid preventer before 1990 (Bruce, No. 2, paragraph 7);
- An article in the *Lancet*, from 1986, showing the same; and the use of green, alone, and with other colours; and
- The MIMS catalogue (see Bruce, No. 1, Exhibit 2), where four products listed (pages 9, 27, 32 and 34) also incorporate green in their packaging (see also Bruce, No. 2, paragraph 12).

Mr. Bruce states that at least six other products use, or have used, green as a colour on 'metered dose inhalers' before the introduction of the SEREVENT product in 1990, and at least a further five have used the colour before the application date. Use of the colour, on a rival product, is confirmed by Glaxo's own employees (see Bruce, No. 2, at paragraph 15). See, also, the further evidence in the Carboni Witness Statement, paragraph 52. I am not sure of the value of some of this evidence, which is either too old (the *Lancet* Article) or too new (the MIMs catalogue). Though I take the point that proof of a wide use of the green would degrade the applicants' chances of showing distinctiveness for their mark, it is not green *per se*, but green and dark green in a particular format. Nevertheless, there is enough here to show that the colour green is not exclusive to the applicants. Further – and this is more telling - there is no evidence that the colours serve to indicate trade origin in this field - no supplier appears to promote their products by means of its colour scheme.

43. Finally, I note paragraph 55 of the Carboni Witness Statement, where evidence is provided of some variation in the colour schemes employed by the applicant (Exhibit AKC7). This hardly supports their contention of a trade 'livery'.

44. Turning to the relevant case law, this makes it clear that use, by itself, is not enough to accord trade mark status to a sign - see the passages cited above, from *Yakult* and *Henkel*. In BL 0/159/00, the decision cited in Exhibit 1 of Bruce 2, which concerned the same parties, the Hearings Officer stated:

> "38. Ms Carboni reminded me of the (by now well-known) words of Jacob J in *British Sugar* 1996 RPC p281, where he cautioned against the 'unspoken and illogical assumption that use equals distinctiveness'. The same point appears in a more recent judgment from the Court of Appeal in the case of *Bach Flower Remedies Ltd v Healing Herbs Ltd*, 21 October 1999, which as far as I am aware has not yet been reported. In that case Lord Justice Morritt said that:
>
> > '.... use of a mark does not prove that the mark is distinctive. Increased use, of itself, does not do so either. The use and increased use must be in a distinctive sense to have materiality.' "

45. Further, I note the following, in BL 0-295-02, at page 29:

> "88. It is clear from the ECJ's judgements in *Sabel BV v Puma AG* [1998] RPC 224 and *Marca Mode CV v Addidas AG & Others* [2000] ETMR 723, that in assessing whether there is a likelihood of confusion between two trade marks, the mere fact that one mark brings the other to mind is not enough to constitute a likelihood of confusion, even where the earlier mark has a reputation with the public. By contrast, in *Canon v MGM* [1999] ETMR 1, the ECJ indicated that the sort of association that leads consumers to believe that the similarities between two trade marks indicates that they are used by the same or by an economically linked undertaking, is sufficient to constitute a likelihood of confusion.
>
> 89. I believe that the same reasoning should be applied when determining whether a trade mark has acquired a distinctive character. When the court referred to the trade mark identifying 'the goods as originating from a particular undertaking' in its judgement in *Windsurfing Chiemsee*, it meant that the trade mark has come to foster a concrete expectation among consumers that the goods originate from one undertaking, not just that consumers may be caused to wonder whether or not this might be the case or simply be 'reminded' of the undertaking concerned. A similar point is made in *Kerly's* (13 th Edition), paragraph 7-127 at page 189, referring to my own decision in *Dualit Ltd's Application*, 1999 RPC 303."

46. I have seen nothing in the evidence, thus far, that supports the contention that the consumers in this trade have a 'concrete' belief that the mark as applied for operates as a trade mark. However, the applicants also refer to survey evidence in this regard, and I will consider this now.

The Survey

47. The survey is explained in the Witness Statement of Ms. Janet Emmett, who works for Taylor Nelson Sofres plc, described as the fourth largest market research company in the world. She states:

"3. Five questions were placed on the GP Omnibus. An omnibus provides the facility for several clients to share the cost of fieldwork while retaining their confidentiality. The Internet methodology was selected for speed of turnaround and to enable interested parties to view the results on a real time basis via a link.

4. A panel of 450 GPs were sent a link, via email, to enable them to access the survey using their own unique ID number. The GSK questions appeared as shown in Appendix A.

5. As soon as the GPs completed the survey the answers were automatically added to the results table. The sample is selected on a 'first come first serve basis' and once 200 GPs have completed the survey it is closed. However in this case due to time restrictions the results of the GSK questions were downloaded after 163 responses.

6. All GPs included in the panel have been screened to ensure their credibility as a working GP. The panel consists of both more recently and longer qualified GPs, a geographical spread across the UK and a mixture of frequent and infrequent Internet users."

The Appendices were enclosed in evidence with her witness statement. Five questions were asked of the GPs, on being shown a picture of the inhaler captured by the application, in the green and green colour scheme:

Have you seen this product before?
What is it?
How do you recognise and remember it?
Anything else?
What is it called?

A high recognition is recorded (see Emmett, paragraph 7). For example, Some 53% identified the product as 'Serevent'.

48. *KERLY'S LAW OF TRADE MARKS AND TRADE NAMES* (13th Edition; paragraph 16-105), draws a distinction between the statistical analysis of responses from a substantial number of persons asked a series of questions according to explicit detailed instructions (a 'survey' in the strict sense) and any organised exercise whose objective is to seek and obtain evidence from a number of members of the public or trade. The latter is really a 'witness collection programme' or 'witness gathering exercise'. The 'survey' submitted here is, perhaps, more of the former than the latter.

49. I was referred to the *Raffles* criteria (see *Imperial Group plc v Philip Morris Ltd*. [1984] 17 RPC 293, at 302ff), and have thus decided to apply them. They are listed as follows, from the headnote in that case, as:

"If a survey is to have validity:

the interviewees must be selected so as to represent a relevant cross-section of the public;

the size must be statistically significant;

it must be conducted fairly;

> all the surveys carried out must be disclosed including the number carried out, how they were conducted, and the totality of the persons involved;
>
> the totality of the answers given must be disclosed and made available to the defendant;
>
> the questions must not be leading nor should they lead the person answering into a field of speculation he would never have embarked upon had the question not been put;
>
> the exact answers and not some abbreviated form must be recorded;
>
> the instructions to the interviewers as to how to carry out the survey must be disclosed; and
>
> where the answers are coded for computer input, the coding instructions must be disclosed."

50. I apply these criteria as follows.

<u>The interviewees must be selected so as to represent a relevant cross-section of the public</u>

51. This is clearly not the case. The survey has no comment to make on the reactions of the public. This constituency is completely ignored.

52. It could be argued that, as the drugs at issue are prescription only (though not so limited in the application), those 'consumers' making the 'trade' choice are doctors, not their patients, who take what they are given. Of course, the medical profession have been sampled, and are clearly part of the relevant public. But so are their patients, who may well have a range of drugs to use (preventers, relievers and long-term relievers), and must distinguish between them as well. Further, I find it difficult to extrapolate the reaction of medical professionals to that of the average consumer. I suspect, in practice, they choose a treatment on the basis of medical efficacy (and thus by the SEREVENT name) and not by colour. This is particularly important in respect of what the survey shows. The GPs would not regard the colour scheme as a trade mark, whatever association they make with it. The same might not be the case with the general public, but they have not been sampled.

53. I am told in the Witness Statement of Ms. Anna Carboni, of the solicitors acting for the opponents, that there are some 3 million asthma suffers in the UK. The sample in this survey cannot be representative of a relevant cross-section of the public.

54. Ms. Carboni also raised some question about the character of the GPs approached, i.e. were they representative of GPs in the UK as a whole (Carboni, paragraph 10)? Ms. Emmett responds, in her second Witness Statement, stating that:

> "The GPs who make up the Taylor Nelson Sofres Omnimed Internet service have been recruited through a number of different means. They may be GPs who have carried out a face to face interview with a Taylor Nelson Sofres interviewer in the past, or have been referred by a colleague to join the panel or were a member of a panel with whom Taylor Nelson Sofres have previously worked. GPs on the panel have to be currently practising in the UK, have an email address and internet connection through which they

can receive invitations to take part in surveys. GPs also have to complete a rigorous demographic questionnaire before joining the panel. This ensures that the GPs forming the panel represent a representative cross section of UK practising GPs."

55. Though we are not explicitly told that the GPs forming the survey were a representative cross-section of practicing GPs, particularly in the context of the self-selection by first response, this does seem to address Ms. Carboni's criticisms, at least in so far as it relates to doctors in the UK. However, as I have stated, the applicants do not have a representative sample for all 'consumers' of the product.

The size must be statistically significant

56. The criticism here is related to the first point. Ms. Emmett defends the numbers used on a statistical basis (paragraph 4 of her second Statement) and succeeds in so far as her response relates to GPs. However, Ms. Carboni's comments undermines this (see paragraph 12ff) on the basis that, for all consumers, the sample is meaningless. I must agree.

It must be conducted fairly

57. This is a general requirement: in my view it governs the entire conduct of a survey as measured against the other *Raffles* heads. In short, a survey should not be unfair, both to those who take part (in the manner in which they are drawn into it, the interpretation given to their responses and conclusions extracted from them), but also, in general, to the survey's construction, analysis and presentation. That is, in relation to all these facets, it must be impartial, and free from bias, discrimination and dishonesty.

58. I do not believe for one minute that there was any intentional bias in the survey, but its effect, against the background of the first two points I have considered above, must mean that to draw any significant conclusions from it would be seriously unfair to the opponents in this case.

59. Ms. Carboni made much the same case in her Witness Statement. She also refers to embossed dots on the front of the sample sent to GPs – the latter not appearing in the trade mark application, yet are used on the applicants' Serevent metered dose inhaler (see Carboni, pargarph 18). There is also concern expressed at variations in colour of the survey picture due to possible 'poor quality reproduction over the Internet' (Carboni, paragraph 22). Both are indicated as evidence of invalidating unfairness in the survey.

60. The variations in colour require something of an assumption, but there is modest evidence of some confusion on this point (Carboni, paragraph 22ff), as there is reference to the embossed dots. But the inferences drawn are, perhaps, too much from such scant evidence - the opponents admit that the main reason for the GPs recognition of the product is colour. Nevertheless, the mark shown is not the mark applied for, containing this extra visual clue.

All the surveys carried out must be disclosed including the number carried out, how they were conducted, and the totality of the persons involved; and the totality of the answers given must be disclosed and made available to the defendant; the exact answers and not some abbreviated form must be recorded; the instructions to the interviewers as to how to carry out the survey must be disclosed; and where the answers are coded for computer input, the coding instructions must be disclosed.

61. I have included these points together as they are all really about the surrounding circumstances of the survey, and disclosure thereof. These particular *Raffles* heads are really about transparency: a survey must not only be fair, it must be seen to be fair. As a consequence, absence of detail under certain of the specified heads is capable of damning a survey with convincing results, but not able to save one that fails under the other heads.

62. Though the responses, in the view of the opponents, are not provided in a tabulated or coded form and this undermines the results summary at paragraph 7, the analysis provided as a response (Exhibit AKC4) still shows a high, but much reduced (81% to 54%) association. This is a very significant reduction, but still shows a high recognition of the sign amongst Doctors. Ms. Carboni refers to 'miscategorisation and miscalculation'. There is some weight to these comments. In particular, the responses are not cross-referenced by question and respondent; this makes it difficult, to track their detailed significance, as Ms. Carboni notes (paragraph 51).

The questions must not be leading nor should they lead the person answering into a field of speculation he would never have embarked upon had the question not been put.

63. In *Raffles*, Whitford J states:

> 'Great importance inevitably attaches to the way in which the questions are cast. It is very difficult in connection with an exercise such as this to think of questions which, even if they are free from the objection of being leading, are not in fact going to direct the person answering the question into a field of speculation upon which that person would never have embarked had the question not been put.'

64. I think this must be a serious issue for this survey, where the mark is effectively a product in wide use in general and, in the form shown, a market leader. Clearly a metered dose inhaler, the survey does encourage the respondents to speculate as to the origin of the goods presented to them. A question can be 'leading' when asked of one person, but not of someone else, due to the experience and knowledge of one or the other. As I stated above, GPs are clearly familiar with the products due to its market share; in this context it is hardly a surprise that the majority responded as they did. Familiarity may or may not be evidence trade mark use.

65. The applicants claim they are a market leader, with 90.4% of the long acting bronchodilator, and 14.3% of the total respiratory, markets. If so, it is not surprising that a majority of doctors will recognise the green and green colour. But there is a crucial difference between knowing the name of the best known or only green and green inhaler and regarding those colours as identifying a product of one undertaking. The former is association, the latter is trade mark recognition.

66. In short, taken as a whole, I cannot give much weight to the survey. It provides little evidence that the mark has become a distinctive indicator of the applicants' goods in a trade mark sense. And, finally, to make specific a general point I made above, there is no evidence that the applicants, before the relevant date, have promoted the mark as a trade mark.

67. Thus, despite the evidence of use, and the survey evidence, I do not believe that I have enough before me to show that the applicants' mark has gained trade mark status. Even lengthy and substantial use may not amount to use as a trade mark, and be merely indicative not of distinctiveness, but of a *de facto* monopoly (see *McCain International v Country Fair Foods* [1981] RPC 69). Of course, in the decision of the ECJ in *Koninklijke Philips Electronics NV v. Remington Consumer Products Ltd* [2002] E.T.M.R. 81, the Court stated that where a trader has been the only supplier of particular goods to the market, extensive use of the sign which consists of the shape of the goods may be sufficient to give the sign a distinctive character and it is for the national Courts to verify whether the sign has in fact acquired distinctiveness, a monopoly position by itself is not a bar to registration. But we are not considering a shape with any distinctiveness at all, but for its colour. I am therefore unable to find that the mark has gained distinctiveness through use, and the opposition is successful, the application being refused.

68. As to costs, the opponents' success deserves recognition, and I order the applicants to pay the opponents £2000. This sum is to be paid within seven days the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 13th Day of December 2002.

Dr W J Trott
Principal Hearing Officer
For the Registrar.