

TRADE MARKS ACT 1994

**IN THE MATTER OF REGISTRATION NOs 2399962 AND 2406779
IN THE NAME OF CEMEX UK OPERATIONS LIMITED
IN RESPECT OF THE FOLLOWING TRADE MARKS IN CLASSES 19, 35, 37, 39
AND 42:**



**AND
CONSOLIDATED PROCEEDINGS FOR TWO APPLICATIONS FOR DECLARATION
OF INVALIDITY THERETO
UNDER NO 83203 AND 83204
BY LAFARGE CEMENT UK PLC**

TRADE MARKS ACT 1994

IN THE MATTER OF Registrations 2399962 and 2406779

in the name of Cemex UK Operations Limited

in respect of the following trade marks in Classes 19, 35, 37, 39 and 42:



and

**consolidated proceedings for two applications for declarations of invalidity
thereto**

under no 83203 and 83204

by Lafarge Cement UK Plc

BACKGROUND

1) Cemex UK Operations Limited ("Cemex") is the proprietor of the above two series of trade marks. It applied for the first of these, 2399962 on 22 August 2005 for the following series of trade marks:



2) The registration procedure for this registration was completed on 24 March 2006. The registration covers the following list of goods and services:

Class 19: *Building materials (non-metallic); concrete; mortar; screed; cement mixtures; cement based materials; cement based mixtures; cement for building; cementitious products; cementitious materials; cement and ash mixtures; sand; gravel; aggregates.*

Class 35: *Business information, advisory and consultancy services; all relating to building materials, concrete, cement and cementitious products.*

Class 37: *Information, advisory and consultancy services, relating to building construction, building materials, concrete, cement and cementitious products.*

Class 39: *Transportation and delivery of finished and unfinished products by road, rail and sea; transportation for finished and unfinished products in and out of storage; warehousing.*

Class 42: *Technological services relating to building materials, concrete, cement and cementitious products.*

3) It applied for the second, 2406779 on 17 November 2005 for the following series of trade marks:



4) The registration procedure was completed on 1 September 2006 and its list of goods and services mirrored that of 2399962 with the exception that the registration does not cover Class 37.

5) On 7 April 2008, Lafarge Cement UK Plc (“Lafarge”) applied for the above registrations to be declared invalid. Lafarge’s claim is that these registered trade marks offend against Section 3(1) (c) and Section 3(3) (b) of the Trade Marks Act 1994 (“the Act”) on the grounds that the trade marks designate a characteristic of cements and are of such a nature as to deceive the cement buying public. These grounds are based upon the claim that the trade marks contain the phonetic equivalent of “CEM II” and “CEM III” respectively which are cement types defined by British Standard BS EN 197-1:2000 (Composition, specifications and conformity criteria for common cements). Cemex claims that the trade marks are capable of acting as a badge of origin and denies that the trade marks consist exclusively of a sign or indication which may serve to designate a characteristic of cements. It also denies that the trade marks fall foul of Section 3(3) (b).

6) Lafarge made no claim that Cemex’s trade marks fall foul of Section 3(1) (b).

7) Both Lafarge and Cemex filed evidence and seek an award of costs. Both parties requested a hearing and the matter came to be heard on 8 January 2009 when Cemex was represented by Mr Julius Stobbs of Boulton Watt Tennant and Lafarge was represented by Mr Malcolm Chapple of Counsel instructed by Hallmark IP Limited.

EVIDENCE

Applicant’s evidence

8) This takes the form of two near identical witness statements dated 25 July 2008 by Nicholas Francis Preedy, a registered trade mark attorney with HallMark IP Limited, the representative of the applicant. Mr Preedy states that the information has either been obtained from his own personal knowledge, the Internet or derived from the records supplied by Lafarge, to which he has full access. The statements relate to each of the invalidity actions, but they are identical in all material aspects with the exhibits sharing the same identity references. I will summarise both statements as if they were a single document.

9) He points out that Cemex, in its counterstatement does not deny that the letters “CEM” are recognised as a reference to cement and that the letters “CEM” when used prior to Roman numerals designate a standardised definition of a type of cement as defined in the British Standard (BS). A copy of this BS is provided at Exhibits NFP1. At Exhibits NFP2, a copy of a page from Cemex’s own website is provided where the following relevant text can be found:

“Factory-produced BS EN 197-1 cements are given the designation “CEM”.
Cements just using clinker as a main constituent are now known as a “CEM I”.

CEM II and CEM III are factory blended Portland composite and Blast furnace cements, respectively”.

“CEMEX have designed and trademarked two logos (see below) to specifically promote sustainable blended cements due to it’s importance”

10) Mr Preedy draws attention to the fact that the website then goes on to show a single version of both of the trade marks, the subject of these proceedings and that alongside these representations the following text appears:

“CEM2 is a cementitious product that reduces landfill through re-using Fly Ash, a by product from coal fired power stations, and reduces CO2 emissions by 25% for each tonne produced

CEM3 is a similar product that re-uses products from the iron or steel industries, and reduces CO2 levels by 49% for each tonne produced”

11) Exhibit NFP3 consists of a copy of Registry decision O-333-07 regarding an opposition against a word and device trade mark incorporating the letters and numeral “SK.4”. The hearing officer in that case found that “SK.4” was visually and aurally similar to the trade mark “SK-II”.

12) Mr Preedy draws attention to the text of BS EN 197-1:2000 that identifies types of cement as “CEM II” and “CEM III” (Exhibits NFP5) and also Exhibits NFP2 showing the extract from Cemex’s website that also acknowledges this. He then refers to the Office for Harmonization of the Internal Market (OHIM) examination guidelines (Exhibits NFP6) that states that “[a] trade mark which suggests that goods are made of a particular material, where the material would be a significant factor for a purchaser and where the purchaser would be likely to draw the conclusion that this would be its composition must be objected to if the list of goods is not specific on this point”. He also points to the fact that neither of the registrations at issue have goods or services that are fully defined.

13) Mr Preedy also provides copies of correspondence (Exhibits NFP8) to demonstrate that Cemex has no intention of accepting that the registrations at issue have been incorrectly registered and to illustrate Lafarge’s efforts to persuade Cemex to voluntarily cancel the registrations (Exhibits NFP9).

Proprietor’s evidence

14) This takes the form of a witness statement dated 5 September 2008 by Emma Pettipher, Trade Mark Attorney with Cemex’s representatives, Boulton Wade Tennant. She states that the information contained therein is derived from her own personal knowledge or obtained through her personal research.

15) At Exhibit ELP1, Ms Pettipher provides an extract from the Registry's Work Manual relating to trade marks including prominent descriptive or non-distinctive signs. She does not explain the significance of this extract, but I note it includes the following text:

"When considering whether a trade mark has any distinctive character, the question is whether the sign as a whole will identify the trade source of the goods or services to the average consumer of those types of goods or services.

Whether the presentation or configuration of a description will convey distinctive character may depend not just upon the impact of the configuration or presentation, but also upon the extent of the descriptiveness of the word(s) at the centre of the mark. The more word(s) look like a generic description of the product the less likely it is that the average consumer's perception of the sign will be changed by minor elements of get-up. Each case turns on its own facts.

Where the get-up simply adds to the description or is too commonplace, it may not imbue the mark with a trade mark character."

16) Ms Pettipher also provides examples of UK registered trade marks which have been accepted in respect of clothing and other goods and where one dominant element of the combination is clearly non-distinctive, for example the letters "M" or "XL". These are presented at Exhibit ELP2 without further elaboration.

17) A further extract from the Registry's Work Manual is provided at Exhibit ELP3 relating to the Registry's approach to interpreting Section 3(3)(b) of the Act, and in particular, deceptive trade marks. This extract refers to the ECJ's comments in *Elizabeth Emanuel v Continental Shelf 128 Ltd*, C-259/04 and that the application of this provision "presuppose[s] the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived". The guidance concludes that "[a]n objection under Section 3(3) (b) should therefore only be raised if in the examiner's view there is a real (as opposed to a purely theoretical) potential for deception of the public".

Applicant's evidence in reply

18) This consists of a further witness statement by Mr Preedy, dated 17 October 2008. He recognises that the Registry provides a manual of trade mark practice, but draws attention to the fact that this only provides guidelines with each case being considered on its merits. He highlights the sentence: "Whilst we must always take account of practice and procedures, the particular circumstances of a case may suggest that at times a departure practice would be justified".

19) Mr Preedy notes that Ms Pettipher refers to Exhibit ELP4 being an extract from the proprietor's website that is also reproduced by the applicant at their Exhibit NFP2. He draws attention to the fact that the proprietor recognises and acknowledges that the cement products sold under the "CEM2" trade mark conform to BS cement type CEM II.

A similar acknowledgement is made in relation to the products sold under the “CEM3” trade mark.

20) Mr Preedy also provides a number of submissions relating on Ms Pettipher’s statement and I will refer to these, as appropriate, later in the decision.

DECISION

The legislation

21) The case has proceeded to final determination on the basis of Section 3(1) (c) and Section 3(3) (b) of the Act, with such a ground being relevant in invalidation proceedings in view of the provisions of Section 47(1) of the Act. The relevant parts of Section 47 of the the Act read as follows:

“**47.** - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.

...

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.”

22) The rights identified are under Section 3(1) (c) and Section 3(3) (b) of the Act. These read:

“**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) ...

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.

...

(3) A trade mark shall not be registered if it is-

(a) ...

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”

Section 3(1) (c)

23) There are now a number of judgments from the ECJ which deal with the scope of Article 3(1) (c) of First Council Directive 89/104 and Article 7(1) (c) of the CTMR, whose provisions correspond to Section 3(1) (c) of the UK Act. I derive the following main guiding principles from the cases noted below:

- subject to any claim in relation to acquired distinctive character, signs and indications which may serve in trade to designate the characteristics of goods or services are deemed incapable of fulfilling the indication of origin function of a trade mark – *Wm Wrigley Jr & Company v OHIM* – Case 191/01P (*Doublemint*) paragraph 30;

- thus Articles 7(1)(c) (Section 3(1)(c)) pursues an aim which is in the public interest that descriptive signs or indications may be freely used by all – *Wm Wrigley Jr v OHIM*, paragraph 31;

- it is not necessary that such a sign be in use at the time of application in a way that is descriptive of the goods or services in question. It is sufficient that it could be used for such purposes – *Wm Wrigley Jr v OHIM*, paragraph 32;

- it is irrelevant whether there are other, more usual signs or indications designating the same characteristics of the goods or services. The word ‘exclusively’ in paragraph (c) is not to be interpreted as meaning that the sign or indication should be the only way of designating the characteristic(s) in question – *Koninklijke KPN Nederland NV and Benelux-Merkenbureau, Case C-363/99 (Postkantoor)*, paragraph 57;

- an otherwise descriptive combination may not be descriptive within the meaning of Article 3(1) (c) of the Directive provided that it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements. In the case of a word trade mark, which is intended to be heard as much as to be read, that condition must be satisfied as regards both the aural and the visual impression produced by the mark – *Postkantoor*, paragraph 99.

24) Section 3(1) (c) of the Act excludes signs which may serve, in trade, to designate the kind of goods and services or other characteristics of services. It follows that in order to decide this issue it must first be determined whether the mark designates a characteristic of the goods and services in question.

25) Lafarge's main argument is that the word and numeral elements "CEM 2" and "CEM 3" are the overwhelmingly dominant features of the respective trade marks at issue and the additional device elements are insignificant. Further, it contends that "CEM 2" and "CEM 3" merely designate that the products sold under these trade marks conform to British Standard BS EN 197-1:2000 where "CEM II" and "CEM III" are used to designate part of a defined range of cement types. This latter point is accepted by Cemex. Lafarge also argues that because Cemex use the ® symbol next to the textual element of the trade marks that this also illustrates that Cemex itself considers the device element to be *de minimis*.

26) At the hearing, Mr Chapple also put forward a secondary argument that the device element in Cemex's trade marks designates the recycled nature of the components of the cement.

27) As I have said, there is no dispute between the parties that the terms "CEM II" and "CEM III" designate certain types of cement that conform to the BS mentioned earlier. I recognise that when considering if a trade mark falls foul of Section 3(1) (c) of the Act I must consider the impact of the trade mark as a whole upon the relevant consumer. Therefore, it is necessary to identify who is the relevant consumer. The purchasers of cementitious products and services will fall into one of two categories. Firstly, there are the members of the public who may be undertaking some small scale building activity. Such purchasers are unlikely to have knowledge of the British Standard for cement and, as such, regardless of whether Cemex's trade marks designate a characteristic of such products are unlikely to be aware of this. The second group of consumers are those who work in the construction business. Such consumers are likely to have a more detailed knowledge of products used in the trade and any BS that relate to the same.

28) In assessing the trade marks, as a whole, it is necessary to understand the significance of the component parts of the trade marks. I will therefore begin my analysis by considering if the terms "CEM 2" and "CEM 3", as they appear in Cemex's trade marks, designate a characteristic of the goods in question. These two terms differ from the terms used in the BS in that the numeral element is in Arabic numerals and not Roman numerals. Lafarge refer me to Registry decision O-333-07 where the hearing officer found that "SK.4" was visually and aurally similar to the trade mark "SK-II". Cemex invite me to ignore this arguing that as it relates to opposition proceedings it is not relevant here. I note these views when considering the issues in the current proceedings.

29) Aurally the terms "CEM 2" and "CEM 3" are identical to their descriptive counterparts in the BS. As such, when ordering verbally, for example over the telephone, the trade marks will be indistinguishable from the equivalent BS descriptions. From the visual perspective, the different way of representing the numeral elements will not escape the notice of a consumer who is familiar with the British Standard but it will nevertheless, immediately inform such consumers that the products sold under the

trade marks conform to the BS. I therefore find that the word and numeral elements of Cemex's trade marks serve to designate the category of product as defined by the BS.

30) This, however, is not the end of the matter and I must go on to consider the other components of these trademarks, namely the circle device incorporating a number of arrow-like devices. Addressing Lafarge's contention that this is *de minimis* in all of the contested trade marks, I observe that the devices forms a border around the outside of the word and numeral elements of the trade marks and incorporate either two (in the case of "CEM 2") or three (in the case of "CEM 3") triangles, which take on the appearance of arrows within this border. These triangles are approximately the same size as each letter in the "CEM" elements of the trade marks and also are represented in the same colour or tone as the letters and numerals. Taking these points into account, I find that the device element in both series of trade marks is not, in the words of Lafarge, "*de minimis*". In other words, I find that these device elements are not negligible in the sense discussed by the ECJ in *Shaker di L. Laudato & C. Sas v OHIM (LIMONCELLO) C-334/05 P*.

31) The impact of such a finding, is that I need to go on to consider if the device elements designate a characteristic of the products. Even though I have found that the device elements are not negligible, if all the elements of Cemex's trade marks designate a characteristic then the totality will also fall foul of Section 3(1) (c) of the Act. Mr Chapple contended, at the hearing when putting forward his secondary argument, that these elements designate the recycled nature of the components of the cement. He supported his argument by referring me to the fact that Cemex's own website describes the products sold under the "CEM 2" trade mark as "reduces landfill through re-using Fly Ash" and also describes the products sold under the "CEM 3" trade mark as being "a similar product that re-uses products from the iron and steel industries". He further directed me to Exhibit ELP4 of the Cemex's evidence and in particular the bottom of the second page of information regarding the "CEM 2" products, where the following devices appear:



32) Mr Chapple contended that as the trade mark appears alongside a recycling symbol and above the words "sustainable cement", this is evidence that the device element of the trade mark also designates "recycling". I am not persuaded by this argument. I have not been presented with any evidence that the device element is recognised in the trade as having such a meaning and whilst it may be possible that a circle comprising two or three arrows may suggest such a characteristic, this is far from obvious. The presence of an established recycling sign alongside Cemex's trade mark and the proximity of the words "sustainable cement" does not lead to the conclusion that the device element of the trade mark designates the same. I therefore reject Mr Chapple's contention.

33) Having made these findings, I must consider their impact upon how the trade marks, as a whole, will be viewed by the relevant consumer. In this respect, I am mindful of the following comments from the European Court of Justice (ECJ) in *Procter and Gamble v OHIM (BABY-DRY)* C-383/99P:

“39. The signs and indication 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 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.”

34) My conclusion that the device elements of the trade marks do not designate a characteristic of the goods or services or that they are *de minimis* results in a finding that these trade marks are configured in a manner that distinguishes the whole from the usual way of designating cements and as such, I find that the grounds based upon Section 3(1) (c) of the Act fail.

Section 3(3) (b)

35) Section 3(3)(b) of the Act derives directly from article 3(1)(g) of the Directive. In *Elizabeth Florence Emanuel v Continental Shelf 128 Ltd* Case C-259/04 the European Court of Justice (ECJ) held:

“47. Nevertheless, the circumstances for refusing registration referred to in Article 3(1)(g) of Directive 89/104 presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (Case C-87/97 *Consorzio per la tutela del formaggio Gorgonzola* [1999] ECR I-1301, paragraph 41).”

36) An objection under Section 3(3)(b) should therefore only be raised if there is a real, as opposed to a purely theoretical potential for deception of the public. In the *Consorzio per la tutela del formaggio Gorgonzola* case referred to, the ECJ stated:

“41. As to that, the circumstances contemplated in Article 3(1)(c) of the First Directive 89/104 do not apply to the present case. The circumstances envisaged in the other two relevant provisions of that directive - refusal of registration, invalidity of the trade mark, or revocation of the proprietor's rights, which preclude its use being continued under Article 14(2) of Regulation No 2081/92 - presuppose the existence of actual deceit or a sufficiently serious risk that the consumer will be deceived (see, on that subject, *Clinique*, cited above, Case C-

470/93 *Mars* [1995] ECR I-1923, and Case C-313/94 *Graffione* [1996] ECR I-6039, paragraph 24).”

37) Lefarge claim that deception will occur as the consumer, on seeing the trade marks, will be led into believing that they would be purchasing cementitious products that conform to CEM II or CEM III categories as defined in the BS. Mr Chapple submitted that this is so for all the goods listed under the Class 19 specifications covered by both registrations. Mr Chapple supports this contention by reference to the following text in the “National Forward” of BS document provided at Exhibit NFP1:

“Common cements conforming to this standard, where the intended use is for the “preparation of concrete, mortar, grout, other mixes for construction and for the manufacture of construction products”, have been mandated by the European Commission to be specified under a system of attestation of conformity... Attestation of conformity is a legal means of demonstrating that a product meets the requirements of a harmonized European technical specification...”

38) I accept that, in respect of “[B]uilding materials (non-metallic); concrete; mortar; screed; cement mixtures; cement based materials; cement based mixtures; cement for building; cementitious products; cementitious materials; cement and ash mixtures” all these terms are clearly covered by the BS product definition. In respect to “sand; gravel; aggregates”, these products are important constituents of cementitious products and as such, the categorisation present in the BS will have a meaning in relation to these products also. I therefore find that “CEM II” and “CEM III” are meaningful in relation to all the goods listed in Cemex’s registrations.

39) In determining the likelihood of deception it is appropriate to consider factors such as the nature of the goods and/or services and the circumstances in which they are obtained. I identified the relevant consumer for these goods and services earlier and concluded these will either be the general public or consumers from the construction trade, with the latter being familiar with the BS. I will base my analysis on the purchasing act of this latter group of consumers. I ask myself the question would these consumers regard Cemex’s trade marks as indicating that the products, sold under these trade marks, conform to the categories of cement as defined by the BS or that the services claimed are provided in relation to these categories.

40) Turning firstly to the purchasing act, the evidence from both parties is silent on this point and I am left to assess the facts as best I can on the materials available to me. The goods themselves are basic construction products, but can have different compositions. As such, a purchaser from the construction industry will take a reasonable amount of care in the purchasing act to ensure he gets the composition required, but as it is a basic construction product, not the highest level of care. The products may be purchased over the phone, where the fact that the trade marks are aurally identical to the respective BS categories will increase any likelihood of deception.

41) When purchasing in a way whereby the trade marks will be visible raises the question as to whether the device elements and the use of Arabic numerals are sufficient differences/embellishments that the trade consumer will fail to see the trade marks as indicating goods conforming to the respective BS categories. Taking the knowledgeable trade consumer of these products, I believe that the letter and numeral elements of both trade marks will immediately inform the purchaser that the products conform to the relevant BS. This is a desirable characteristic as it defines a product that is environmentally friendly by virtue of its composition and that includes the re-use of fly-ash or similar products. I am not convinced by Lafarge's argument that Cemex use CEM 2 interchangeably with "CEM II" and similarly "CEM 3" with "CEM III". The alleged example of such, that appears on Cemex's web site, may be ambiguous but does not substantiate a claim of interchangeable use. Nevertheless, I believe there is a sufficiently serious risk that the relevant consumer will be deceived by use of these trade marks in respect of cement products and I find that the grounds based upon Section 3(3) of the Act are successful in respect to both of Cemex's registrations and in respect to all the goods listed in its Class 19 specifications.

42) I find that the application for invalidation fails in respect of the service classes for both registrations as I do not believe that there is any serious risk that the consumer will believe such services only relate to BS "CEM II" or BS "CEM III" category cements.

43) Mr Stobbs has put forward a secondary submission that if I were to find against Cemex with respect to the Section 3(3) grounds, then it would be willing to consider the following limitations added to the end of the respective Class 19 specifications:

"all being, or made predominantly from, cement falling within the British Standards Institute's definition of CEM II"

"all being, or made predominantly from, cement falling within the British Standards Institute's definition of CEM III"

44) Lafarge have not responded to this secondary submission or requested further time to consider it and as such I will make a finding on its merits now. It is my view that such limitations are sufficient to overcome the deceptive nature of the two trade marks and therefore defeat the action insofar as it is based upon Section 3(3) of the Act. As such, Lafarge will be unsuccessful in its actions against Cemex's two trade marks. Firstly though, Cemex is required to formally submit a request to amend the Class 19 specifications to the Registry. These actions should be conducted through the filing of a "Notice to partially surrender a registration" (Form TM23). Cemex are therefore permitted a period of one month from the date of this decision to do so. Failing this, the registrations will be partially invalidated in respect to the whole of the Class 19 specifications of both of Cemex's registrations.

Costs

45) The application for invalidation has failed in respect of the four service classes, but is successful in respect to the Class 19 specification of goods, in the absence of a limitation. However, by virtue of offering up an acceptable limitation, for the first time in its skeleton arguments, Cemex have proposed a solution that would defeat the invalidation actions in Class 19, but at a very late stage in the proceedings. Lafarge have already incurred its costs associated with the proceedings and these include preparation and attendance at the hearing. I take note of the lateness of the offer of a limitation and that it appears from the evidence and the submissions that the Class 19 goods are the area of real commercial interest for both parties and that, therefore, the limitation goes to the main issue between the parties. If the offer of a limitation had been made earlier in the proceedings, Cemex would have been entitled to an award of costs, however, under the circumstances I find that both parties should bear their own costs. I therefore make no award of costs.

Dated this 13th day of February 2009

**Mark Bryant
For the Registrar
The Comptroller-General**