

O-432-11

TRADE MARKS ACT 1994

TRADE MARK APPLICATION No. 2376879

BY CADBURY LTD

TO REGISTER A SHADE OF THE COLOUR PURPLE

FOR GOODS IN CLASS 30

AND

OPPOSITION No. 97819

BY SOCIÉTÉ DES PRODUITS NESTLÉ S.A.

Background

1. On 15 October 2004, Cadbury Limited (“Cadbury”) applied to register the following sign as a trade mark.

Mark



Description of mark:

The colour purple (Pantone 2685C), as shown on the form of application, applied to the whole visible surface, or being the predominant colour applied to the whole visible surface, of the packaging of the goods.

2. The goods are specified to be:

Class 30:

Chocolate in bar and tablet form, chocolate confectionery, chocolate assortments, cocoa-based beverages, preparations for cocoa-based beverages, chocolate-based beverages, preparations for chocolate-based beverages, chocolate cakes.

3. The examiner objected to the application on the grounds that the trade mark was devoid of any distinctive character. However, after the applicant had filed evidence of distinctiveness acquired through use of the mark, the application was accepted and published in the Trade Marks Journal on 30 May 2008.

4. On 27 August 2008, Société des Produits Nestlé S.A. (“Nestlé”) filed a notice of opposition to the proposed registration. The grounds of opposition are:

- i) The mark is not capable of distinguishing the goods of one undertaking from those of others within the meaning of s.3(1)(a) of the Act because it is just a single colour, and colours are commonly used in trade;
- ii) Because the mark could take numerous forms of appearance, it is not a ‘sign’ within the meaning of s.3(1)(a);
- iii) The sign is not capable of being graphically represented as required by s.3(1)(a);
- iv) The mark is excluded from registration under section s.3(1)(b),(c) and (d) because:
 - a) It is devoid of any distinctive character;
 - b) It designates a characteristic of the goods, namely the characteristic of having purple packaging;

- c) It was customary in the current language or bona fide practices of the trade, the colour purple being in common use at the date of the application in relation to the specified goods;
- d) It had not acquired a distinctive character through use.
- v) To the extent that the mark covers the colour specified “applied to... the whole visible surface of the goods”, the application was made in bad faith contrary to s.3(6) because the mark was not so used, and the applicant had no intention to use it like this.
- vi) It was inconceivable that the applicant intended to use the mark in relation to the broad range of goods specified in the application, and the applicant must have known of others use of purple, so the application was made in bad faith for this reason too.

5. Cadbury subsequently filed a counterstatement denying the grounds of opposition.

6. Both sides seek an award of costs.

The Hearing

7. A hearing took place on 26th and 27th July 2011 at which Cadbury was represented by Ms Emma Himsworth, instructed by Charles Russell LLP, and Nestlé was represented by Mr Simon Malynicz, instructed by R.G.C.Jenkins & Co.

Evidence

8. A list of the witnesses and their statements is set out in annex A. Some of Cadbury’s evidence was filed during the opposition. Some of it was filed during the examination stage and then adopted in the opposition proceedings. And some of it was filed in support of an earlier application (No. 2020876A) to register the same colour for chocolate in bar and tablet form. This was also adopted by Cadbury for the purposes of defending the opposition. Three of Cadbury’s witnesses, Ms Watson, Mr Creighton and Mr Burns, were cross examined on their evidence. I have taken all the relevant evidence into account (insofar as it is relevant and has any probative value). Given the substantial volume of evidence and its various origins, I think it will be more helpful if I deal with it by subject matter rather than witness by witness.

Cadbury’s Use of the Colour Purple

9. Ms Heidi Watson joined Cadbury in 2002 and between then and the time she gave her written evidence in 2009, she worked in the Marketing Department. Ms Watson explains that Cadbury first used purple in relation to chocolate in 1914 as packaging for its Dairy Milk milk chocolate product (i.e. chocolate bar). Ms Watson says that milk chocolate is the key ingredient upon which many of Cadbury’s products are based. According to Ms Watson, “*the association of the public between purple and Cadbury and Cadbury’s use of and reputation in purple has been built from this basis*”.

10. Ms Watson says that the shade of the colour purple used by Cadbury has varied a little over the years. Up until 1985, Cadbury used International BDS 3, but at that time the shade changed to BDS 4. Since then a virtually identical shade has been used corresponding to Pantone 2685C. Ms Watson provides examples showing that the colour purple has been used consistently as the main colour on the packaging of the Dairy Milk bar over the years, and she provides an example of the wrapping in use at the time of the application¹, which shows a wrapper which is purple, except for a certain amount of white on which the product information and brand name appear (in purple). The word Cadbury's also appears on the wrapper, in white letters and in cursive script. Ms Watson says that the Dairy Milk bar was the best selling chocolate bar in the UK at the time of the application in 2004. Ms Watson's evidence is that derivative chocolate bars, Fruit and Nut and Whole Nut, were introduced in 1928 and 1933, respectively, and that these used similar packaging to Dairy Milk.

11. Further derivative products were introduced in later years. In 1958 Cadbury's started selling Buttons as a bagged product. Ms Watson provides samples of the packaging in use between then and 1989². The packaging colours always included purple, but the amount of purple used seems to have varied over the years. The version used in 1962 was mainly yellow. From 1975-1989 the product was sold in a bag that was roughly half purple and half green. However, it appears from the 1995 Chocolate Review, which was included in the evidence of Cadbury's previous Marketing Director, Mr Alan Palmer³, that the packaging for the Buttons product had become mainly purple by that time. Mr Watson says that Cadbury's Eclairs were introduced in 1976 and have been sold in packaging "*making extensive use of Cadbury's purple*" since then⁴. In 1987, Cadbury introduced another product called Twirl⁵, which has always been sold in purple packaging.

12. Ms Watson also points out that Cadbury has used purple consistently as the colour for the packaging for a boxed chocolate assortment product called Milk Tray since it was introduced in 1915. However, the examples she provides⁶ do not entirely support this claim. For example, the packaging used in 1973, 1985 and 1992 show as much or more pink than purple. The examples shown in the Chocolate Reviews from 1995 and 1996⁷ also show packaging that was more pink than purple. However, it appears from the Confectionary Reviews of 1997 and 1998⁸ that the packaging for this product had changed to a mainly purple colour by 1997.

13. Ms Watson says that the branding of Cadbury's products was updated in 2003 and the use of the colour purple was enhanced. It is clear from Ms Watson's evidence that Cadbury also uses purple prominently on the packaging of a number of other chocolate products⁹, such as a smooth chocolate covered ("dipped") version of the well known Cadbury's Flake product, Cadbury mini eggs and Picnic. Further,

¹ See exhibit HMW11

² As exhibit HMW14

³ Exhibited as HMW1, see exhibit AFP5 to Mr Palmer's statement.

⁴ Examples of the packaging are shown in exhibit HMW14 to Ms Watson's statement and a mainly purple wrapper is visible in the 1996 Chocolate Review in exhibit AFP5 to Mr Palmer's statement.

⁵ Essentially textured chocolate fingers covered in smooth chocolate.

⁶ As exhibit HMW12.

⁷ See exhibit AFP5 to Mr Palmer's statement.

⁸ See exhibit HMW29.

⁹ See exhibit HMW7.

the colour is used as the main colour on some seasonal products, such as selection boxes and “puds”¹⁰. However, there are a few milk chocolate products which are not sold in packaging with much purple. Ms Watson identifies these products as Crunchie, Cadbury Flake and Cadbury Roses, the latter being a boxed assortment of chocolates. Ms Watson points out that the packaging for all three products now contains some purple (following the 2003 update), but the main colour in which these products have been sold is gold (for crunchie), yellow (for Flake) and light blue (for Roses).

14. According to Ms Watson, Cadbury sold £541m worth of chocolate products branded predominantly in purple in the year to October 2004. According to 2001/2002 Confectionery Review¹¹, Cadbury had another product (in addition to Dairy Milk) in the top 20 confectionary brands in the UK at that time that was sold in mainly purple packaging: Cadbury’s Buttons (chocolate drops). This was the 19th best selling product. Cadbury’s two other entries in the top 20: Cadbury’s Roses and Creme Eggs, were sold in packaging that was mainly light blue and blue and red, respectively. In the ‘gift’ sub-category, Cadbury’s Milk Tray was the sixth best selling product. Two other Cadbury’s products were above it: Roses was the second best selling gift confection (but sold in a light blue box) and a relatively new product called Cadbury’s Miniature Heroes was the fourth best selling gift confection (chocolate assortment). This appears to have been sold in a mainly purple box. It is not clear exactly when it was introduced, but judging from the products shown in the Chocolate Reviews it appears to have been in the late 1990s.

15. Ms Watson says that according to A C Neilson (a market research company) nearly 80% of us bought a Cadbury product in 2004. Cadbury has branding guidelines. Mr Palmer’s evidence includes the version from 1996¹² which indicates that Cadbury’s corporate colours were then regarded as being the shade of purple in the application and gold. The guidelines show how the colours are to be applied to certain products.

16. Cadbury products are sold through all the main grocery outlets, supermarkets, confectionery stores, local convenience stores, such as Spar, garages, High Street stores that mainly sell other things, such as W H Smith and Boots, as well as Cash and Carry and Wholesale outlets. Ms Watson says that Cadbury products of the same type are grouped together at such outlets so as to create what the company calls the “purple patch”, i.e. a splash of purple on the shelves that tells the consumer where the Cadbury products are. This is sometimes supplemented by point of sale displays in the purple colour¹³. Cadbury also uses the colour for its 14 retail outlets around the UK which sell Cadbury products. The colour is also used as Cadbury’s livery and therefore on articles at Cadbury’s premises, on stationery, and on delivery vehicles¹⁴.

17. Ms Watson gives evidence that the purple colour is also promoted through:

¹⁰ See exhibit HMW13.

¹¹ See exhibit HMW 29.

¹² See exhibit AFP8.

¹³ See exhibit HMW3

¹⁴ See exhibits HMW5&6

- i) Use by licensees on 4500 drinks vending machines serving ready made Cadbury hot chocolate throughout the UK;
- ii) Advertising¹⁵, including television advertising;
- iii) Point of sale advertising for chocolate products, including vending machines¹⁶;
- iv) National press and outdoor advertising;
- v) Extensive use at Cadbury World, a tourist attraction near Birmingham with over 500k visitors per year;
- vi) Use on Cadbury's web site;
- vii) Use on stands in shopping centres¹⁷;
- viii) Extensive use of the colour at, and in connection with sponsorship of, the Commonwealth Games 2002¹⁸;
- ix) Use of the colour since 2002 on stands, point of sale displays and "special builds" (themed retail outlets) at various tourists attractions operated by the Madame Tussauds group;
- x) An £8m sponsorship of Coronation Street in 1996/7, which included a competition in which viewers could win a cash prize if they spotted five objects coloured the relevant shade of purple¹⁹.

Cross Examination of Ms Watson

18. As indicated above, Ms Watson was cross examined on her evidence at the hearing. She did her best to assist the tribunal, but perhaps not surprisingly given her role, she saw things very much from a marketing person's perspective. She showed a strong understanding of Cadbury's marketing strategy, but was less good at identifying facts with precision and was not clear about the scope of Cadbury's claim to purple, or how the application was intended to protect it.

19. Mr Malynicz asked Ms Watson about the 2003 re-brand and whether this actually extended the use of purple as claimed in her written evidence. The answer, which is evident from the exhibits, is that the re-brand was quite modest. It introduced a purple ellipse across the full range of Cadbury products on which the Cadbury brand name appeared. A bit of purple was added to the edges of the packaging of a few products, like Crunchie, which had not up until that time been marketed in purple packaging²⁰. This was so that these products were able to contribute to the "purple

¹⁵ £35m was spent on advertising involving the purple colour in 2004.

¹⁶ See exhibit HMW15.

¹⁷ See exhibit HMW22.

¹⁸ See exhibit HMW24

¹⁹ See Article from The Grocer in exhibit AFP2 to Mr Palmer's declaration dated 3 November 1997

²⁰ The colour of the packaging for Crunchie remained mainly gold.

patch” on display shelves. And supporting colours were added to a couple of the derivatives of Dairy Milk to signify flavours etc. For example, the mint version had a green section added to the bottom of the wrapper. Accordingly, a couple of products actually ended up with less purple than before.

20. Mr Malynicz asked Ms Watson whether the mark specified in the application was intended to cover all the products shown in evidence, including Crunchie and Flake, where purple plays only a minor role, even after the re-brand. I do not think that Ms Watson gave a clear answer. She was sure that pure chocolate products like Dairy Milk were covered by the mark, and that purple played a role in the consumer’s response to Crunchie and Flake, but she pointed out that the use of colour differed across the range, which is self evident. The more Mr Malynicz pressed her about the objectives behind the precise wording of the application, the more obvious it became that Ms Watson did not know: she said as much. The wording of the application appears to have been settled by Cadbury’s legal team.

Use of Purple by Cadbury’s licensees

21. Mr Creighton is Head of Licensing at Cadbury. He gave evidence²¹ that Cadbury grants licences to third parties to make and sell products using Cadbury milk chocolate. Mr Creighton has responsibility for what he calls “the big five” categories covering beverages, ambient cakes, biscuits, ice cream and chilled desserts. I need not concern myself with the last three categories because Ms Himsforth confirmed at the hearing that Cadbury does not consider them to fall under the heading of ‘chocolate confectionery’, and they are not covered by any of the other descriptions of goods in the application.

22. So far as beverages and cakes are concerned, Mr Creighton says that licensees sold £65m worth of cakes in the year ending September 2004 and £40m worth of beverages. Further, he says that “*historically the products made use of a significant amount of use of Cadbury Purple on their packaging*”²². Mr Creighton says that Cadbury Hot Chocolate, which appears to be the main beverage concerned, was originally sold in red/brown packaging, but that this changed to incorporate the relevant shade of purple in “*the early 1990s*”. Mr Creighton claims²³ that in 2007 (3 years after the relevant date), Cadbury held nearly 55% of the market for drinking chocolate, nearly half the market for drinking chocolate and cocoa, and nearly a third of the total hot drinks market. According to an article in The Grocer on 18 September 2004²⁴ Cadbury’s licensee, Premier Foods, claimed that Cadbury had a 40% share of the ‘food beverages’ market at that time, which includes drinking chocolate, but also cocoa. The Cadbury drinking chocolate product is shown in the article in The Grocer. It came in a purple jar. There was also a low fat version which came in a purple and white packet. So far as I can see, there is no evidence that Cadbury’s cocoa product has been sold in purple packaging.

²¹ See Creighton1, paragraphs 8-13.

²² Examples are provided as exhibits HMW16 and 17 to Watson I.

²³ See paragraph 26 of Creighton III

²⁴ See page 105 of exhibit PC2 to Creighton II

23. It is not clear what Cadbury's share of the cake market was at the date of the application. My attention was drawn to a market research report from 2004²⁵ which states that Tomkins Plc is the market leader in the cake sector, with established brands Mr Kipling and Lyons, as well as Cadbury. The report notes that the latter was better established in the confectionery sector. It is, however, stated that one of Tomkins' subsidiaries, Manor Bakeries, produced snack size cake products under licence from Cadbury.

Use of Purple by Others

24. There is a substantial amount of evidence about the use of purple by third parties, but following clarifications at the hearing not all of it remains relevant. I will therefore focus on the uses that are still the subject of contention between the parties.

25. There is not much specific evidence of use of purple by third parties prior to the date of the application. Firstly, there is evidence²⁶ that Aldi Stores has sold a range of chocolate bars under the brand name 'Dairyfine' in a purple wrapper. The product has been on sale since 1996, although the presentation changed in 2004. Apparently Cadbury has had discussions with Aldi Stores about the use, but the product remained on sale in 2010. Mr Creighton provided Cadbury's evidence on the use of purple by others. He thought that the shade of purple used by Aldi Stores was similar to that used by Cadbury, but a little darker. With respect to Mr Creighton's experience, to my eye the shade of purple used by Aldi Stores is the same colour as used by Cadbury, or so similar that most people would not notice the difference. This may not be a coincidence. The overall presentation of Aldi's product looks like an imitation of the market leading Cadbury's Dairy Milk product.

26. Secondly, there is evidence²⁷ that Kruger GmbH & Co. have marketed a hot chocolate drink through Lidl supermarkets since 2001, which has been sold with a mainly purple label and a purple lid. Mr Creighton points out that Lidl has only a small share (2.3%) of the UK grocery market. He does not appear to dispute that the colour used is similar to the colour used by Cadbury. However, to my eye it is a noticeably lighter and bluer shade of purple. I think that an average consumer would notice the difference without paying particular attention to the matter. Thirdly, there is evidence that Thornton's Plc started selling a chocolate bar in a purple wrapper in June 2004²⁸. The top half of the front of the packet contains some purple which is similar to Cadbury's colour. There is no evidence as to the extent of the sales of this product, although it appears to have been on the market for 5 years. Mr Creighton gives evidence that it was withdrawn, or the colour changed, in 2009.

27. Nestlé points to two other uses which it says pre-date the application. Firstly, it is claimed that Marks and Spencer plc has sold a product called Extremely Chocolate Caramels since at least 2002 in purple packaging. However, this is based on the evidence of Leonie Jane Boon, who is an investigator employed by Farncombe International Limited, which was instructed by Nestlé to investigate certain uses of

²⁵ See exhibit PC6 to Creighton II.

²⁶ See Ling I & II and exhibits JML2 & 8.

²⁷ See Ling I and exhibit JML2.

²⁸ 4 months before Cadbury's trade mark application. See Ling I and exhibit JML2

purple by third parties in connection with these proceedings. Ms Boon says that she spoke to Marks and Spencer Customer Services Department and was told that the product in question was launched in its current packaging in 2007. She then visited a Marks and Spencer store in Worthing and spoke to a Customer Services Advisor who told her that so far as she could recollect, the product had been on sale since she started working at the store six years earlier and had always been sold with a purple wrapper. The advisor was unable to say whether the packaging design had changed.

28. This hearsay evidence is too vague, uncertain and contradictory (not to mention that it is not attributed to any named persons) to establish that the Marks and Spencer product was on sale in a relevant purple wrapper before 2007.

29. Secondly, it is claimed that Ashbury Confectionery Ltd has sold a chocolate assortment product called 'Gordon Ramsey's Just Desserts' in a purple pack since 2003²⁹. However, it appears that although the packaging first used in 2003 had some purple on it, it was mainly silver³⁰. The colour of the packaging changed to mainly purple in September 2008.

30. There is significantly more evidence of third party use after the date of the application. I was helpfully provided a summary of the evidence in tabular form, which includes Cadbury's position prior to the hearing on the uses identified by Nestlé. This is the summary.

Post October 2004 (or unconfirmed date of first use) Third Party Use of purple packaged chocolate, chocolate confectionery, chocolate assortments, cocoa/chocolate based beverages, chocolate cakes

Asda Stores Limited	Asda	Chocolate Raisins (Chocolate confectionery)	JML8 Ling 2	Folder 2 Tab 65	The purple is a more pink shade than Cadbury Purple.	Creighton IV para 12 Folder 5 Tab 107
Asda Stores Limited	Asda	Instant hot chocolate	JML2 Ling 1	Folder 1 Tab 15	The market share of this product is low – see below. Cadbury's share of the hot chocolate drinks market is very high. Figures showing Cadbury's percentage of total market share in this sector for 2007 to 2009 is in para. 26 Creighton III. In comparison the share of the cocoa and drinking chocolate market for Asda "Instant Hot Chocolate" (which is 2.7% according to data provide by AC Neilsen) ...[is] insignificant	Creighton III para 23 and 26 Folder 4 Tab 85
Asda Stores Ltd	Asda	Chocolate Chip Cake Bars	JML8 Ling 2	Folder 2 Tab 65	This is more lilac than Cadbury Purple, but it is close. This product would not be sold with chocolate products – it would	Creighton V (correcting) Folder 5 Tab

²⁹ See Ling I and exhibits JML1,2 & 7.

³⁰ See JML7.

					be sold with items such as Bakewell Tarts, Battenburgs etc. This is not a chocolate cake.	109
August Storck KG	Werther's Originals	Milk Chocolates	JML8 Ling 2	Folder 2 Tab 65	The predominant colour of the packaging is gold. The purple is darker, but close to Cadbury Purple.	Creighton V (correcting) Folder 5 Tab 109
Bon Bon Buddies/Disney Enterprises Inc.	Disney Hannah Montana	Chocolate egg	JML2 Ling 1	Folder 1 Tab 15	Refers at Exhibit PC9 to a Wikipedia entry which states that Hannah Montana did not appear as a character until 2006: "Hannah Montana is an Emmy Award-nominated American television series, which debuted on March 24, 2006 on Disney Channel." Packaging is multicoloured, no colour predominates. The purple used is a lighter shade than Cadbury Purple - the purple is lilac.	Creighton III para 18 page 16 Folder 4 Tab 85
Brand Stand Ltd	Organic Meltdown	Chocolate bar	JML8 Ling 2	Folder 2 Tab 65	The purple on this packaging appears to be a different shade from Cadbury Purple, although it is close. However it is not predominant in use.	Creighton V (correcting) Folder 5 Tab 109
Delissia	Delissia Chocolate Charms	Chocolate Assortment	JML8 Ling 2	Folder 2 Tab 65	The two principal colours used appear to be pink and dark purple.	Creighton V (correcting) Folder 5 Tab 109
Divine Chocolate Ltd	Dubble	Chocolate bar	JML2 Ling 1	Folder 1 Tab 15	Packaging predominantly blue/grey with red branding.	Creighton III para 16 page 13 Folder 4 Tab 85
H.J. Heinz Frozen & Chilled Foods Ltd	Weight Watchers from Heinz	(Frozen) Chocolate Brownies (Chocolate cakes)	JML2 Ling 1	Folder 1 Tab 15	Almost black at the top of the packaging shading to dark purple. Purple not predominant.	Creighton III para 16 page 14 Folder 4 Tab 85
Lidl UK GmbH	Northwood	Chocolate cheesecake mini bites (Chocolate cakes)	JML8 Ling 2	Folder 2 Tab 65	The packaging is lilac/blue. Different to Cadbury Purple.	Creighton V (correcting) Folder 5 Tab 109
Marks & Spencer plc	Marks & Spencer	Extremely Chocolatey Caramels (New packaging design) (Chocolate confectionery)	JML8 Ling 2	Folder 2 Tab 65	A much darker shade of purple than Cadbury Purple.	Creighton IV para 12 page 3 Folder 5 Tab 107
McCambridge (North) Limited	Yorkshire Cottage Bakeries	Chocolate Sponge Cakes	JML8 Ling 2	Folder 2 Tab 65	A more blue shade of purple than Cadbury Purple	Creighton IV para 12 page 4

						Folder 5 Tab 107
McCambridge (North) Limited	Yorkshire Cottage Bakeries	Chocolate Flavoured Fairy Cakes	JML8 Ling 2	Folder 2 Tab 65	The packaging is not predominantly purple, and is a darker shade of purple	Creighton V (correcting) Folder 5 Tab 109
Netto Food Stores Ltd	Cake Collection	Milk Chocolate Mini rolls	JML2 Ling	Folder 1 Tab 15	The packaging is blue not purple	Creighton III para 16 page 15 Folder 4 Tab 85
Sainsbury's Supermarkets Ltd	Sainsbury's	Belgian Chocolate Fudge (Chocolate confectionery)	JML8 Ling 2	Folder 2 Tab 65	A deeper shade of purple than Cadbury Purple.	Creighton IV para 12 page 4 Folder 5 Tab 107
Sainsbury's Supermarkets Ltd	Sainsbury's	Milk Chocolate Caramels (Chocolate confectionery)	JML8 Ling 2	Folder 2 Tab 65	The packaging is close to Cadbury Purple. I believe that this packaging is the same colour and design as product/spreadsheet number 68 referred to in paragraph 23 of my First Witness Statement and the same comments apply to this one. I referred to discussions between Cadbury and Sainsbury's regarding that product and I understand that this range of products has been repackaged and is no longer available in this packaging.	Creighton V (correcting) para 12 page 4 Folder 5 Tab 109
Sainsbury's Supermarkets Ltd	Sainsbury's	Milk Chocolate Raisins (Chocolate confectionery)	JML8 Ling 2	Folder 2 Tab 65		
Sainsbury's Supermarkets Ltd	Sainsbury's	Milk Chocolate Brazils (Chocolate confectionery)	JML8 Ling 2	Folder 2 Tab 65		
Sainsbury's Supermarkets Ltd	Sainsbury's	Milk Chocolate Eclairs (Chocolate confectionery)	JML8 Ling 2	Folder 2 Tab 65		
Sainsbury's Supermarkets Ltd	Sainsbury's	Milk Chocolate Peanuts (Chocolate confectionery)	JML2 Ling 1	Folder 1 Tab 15		
Sainsbury's Supermarkets Ltd	Sainsbury's	Powdered Drinking Chocolate	JML8 Ling 2	Folder 2 Tab 65	The packaging of this product has been raised with Sainsbury's by Cadbury's National Account Manager for Sainsbury's and Cadbury is currently in discussion with Sainsbury's regarding this.	Creighton III para 23 page 23 Folder 4 Tab 85
Sainsbury's Supermarkets Ltd	Sainsbury's	Powdered Drinking Chocolate	JML8 Ling 2	Folder 2 Tab 65	The packaging is predominantly brown, not purple. The purple that is used is a different colour from Cadbury Purple.	Creighton IV para 12 page 4 Folder 5 Tab 107
Sweet Heaven!	Sweet Heaven	Chocolate Eclairs (Chocolate confectionery)	JML8 Ling 2	Folder 2 Tab 65	To the extent that purple is used, which is in combination with pink, the shade of purple appears different from Cadbury Purple.	Creighton IV para 12 page 5 Folder 5 Tab 107
Tesco Stores Ltd	Ryelands	Chocolate Bar	JML8 Ling 2	Folder 2 Tab 65	This is a lighter purple than Cadbury Purple.	Creighton V (Correcting) Folder 5 Tab 109

Tesco Stores Ltd	Tesco	Chocolate cakes	JML2 Ling 1	Folder 1 Tab 15	This packaging appears from the copyright notice to have been used from 2008. Purple and lilac combination, the packaging has a large transparent window through which the chocolate cakes can be seen.	Creighton III para 18 page 20 Folder 4 Tab 85
Tesco Stores Ltd	Tesco Free From	Double Chocolate Muffins (Chocolate cakes)	JML2 Ling 1	Folder 1 Tab 15	The Tesco "Free From" range includes products not related to chocolate (including bagels, naan and breadsticks the packaging of is at Exhibit PC13). Here only the yellow elements of the trade dress are not used as the packaging is transparent. However, there is an oval purple label stating "Free From". The purple is a similar shade to Cadbury Purple.	Creighton III para 23 page 23 Folder 4 Tab 85
Tesco Stores Ltd	Tesco Finest	Belgian Chocolate Assortment	JML2 Ling 3	Folder 3 Tab 79	The packaging is blue/grey; not close to Cadbury Purple	Creighton V (correcting) Folder 5 Tab 109
Tesco Stores Ltd	TESCO Value	Milk Chocolate Eclairs (Chocolate confectionery)	JML8 Ling 2	Folder 2 Tab 65	The outer packaging is blue, the wrapping of the individual sweet is closer to Cadbury Purple	Creighton V (correcting) Folder 5 Tab 109
The Fabulous Bakin' Boys	The Fabulous Bakin' Boys	Double Chocolate Muffins (Chocolate cakes)	JML8 Ling 2	Folder 2 Tab 65	Looking at the original the colour is quite dark – a different shade from Cadbury Purple.	Creighton V (correcting) Folder 5 Tab 109
Venture Foods (UK) Ltd	Organica	Hazelnut Nougat & Dark Chocolate Bar	JML2 Ling 1	Folder 1 Tab 15	I believe from an article in The Grocer of 17 June 2005 which refers to the Organica bar as "a first in the chocolate market" and on just-food.com that this product was introduced in 2005. I refer to these articles at Exhibit PC14. This is a lighter lilac shade of purple.	Creighton III para 18 page 20 Folder 4 Tab 85
Waitrose Limited	Waitrose	Chocolate Eclairs (Chocolate confectionery)	JML8 Ling 2	Folder 2 Tab 65	The predominant colour of the product is brown.	Creighton IV para 12 page 4 Folder 5 Tab 107
WM Morrison Supermarkets Plc	Morrison	Milk Chocolate Cashews (Chocolate confectionery)	JML2 Ling 1	Folder 1 Tab 15	This product is no longer on sale With regard to "Morrison's Milk Chocolate Cashews", Cadbury has been in discussion with them regarding this product. I am informed by John Roberts, Cadbury's National Account Manager for Morrisons, that Morrisons have confirmed that the purple-packed chocolate cashews are no longer on sale and their new range of chocolate coated	Creighton III para 23 page 23 and para 27 page 25 Folder 4 Tab 85

					cashews is being launched in a completely different, non-purple colour.	
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Cross Examination of Mr Creighton

31. Mr Creighton has worked for Cadbury in a number of marketing roles for over 30 years. He therefore has much experience of the confectionery trade and related trades. He was a good knowledgeable witness. Mr Malynicz accepted as much, although he asked me to bear in mind that Mr Creighton's perception of colour differences and distinctions between categories of confections was unlikely to be representative of the average consumer. I accept that. With one exception (see below), he was inclined to see differences/distinctions that the average consumer would not see. Mr Creighton was asked about some of the uses of purple by third parties described above. In particular he was asked about the colours of the following products:

- The lid of the Asda Hot Chocolate drink colour. Mr Creighton thought it was similar to Cadbury's purple, but pointed out that the rest of the jar was a different colour. *[To my eye, the lid is exactly the same colour as the lid of the Bellarom product mentioned above, which I found to be a noticeably different colour purple].*
- The Gordon Ramsey Just Desserts. Mr Creighton thought it was similar to Cadbury's purple, albeit a bit darker. *[In my view, the colours are very similar and I doubt that the average consumer would notice the difference].*
- The Disney's Hannah Montana Easter Egg. Mr Creighton answered "*the foil is more of a lilac than a purple and the vignette of colours from purple through to pink makes that not a Cadbury purple for me*". *[In my view, the colour used at the bottom of the egg box is likely to be mistaken for the purple Cadbury uses, but the colours on other parts of the box are noticeably different].*
- Weight Watchers from Heinz, Double Chocolate Brownies. Mr Creighton said that the colour was not similar to Cadbury's purple. He saw black to dark purple. *[In my view, the purple used is indistinguishable from the colour used by Cadbury, although it does shade into darker colours].*
- Marks and Spencer's Extremely Chocolatey Caramels. Mr Creighton thought that the colour used was similar to Cadbury's purple. *[I agree. An average consumer would not notice the difference].*
- Morrison's Milk Chocolate Cashews. Mr Creighton thought that parts of the packaging were in a similar colour to that of Cadbury. *[In my view, an average consumer would not notice the difference].*
- Sainsbury's milk chocolate peanuts. Mr Creighton thought that the colour was "*quite close*". *[In my view, an average consumer would not notice the difference].*

- Tesco 'Free From' range of crispy chocolate bars. Mr Creighton thought it was "close" but slightly darker than Cadbury's colour. [*In my view, an average consumer would not notice the difference*].
- Organica Vegan hazelnut nougat & dark chocolate bar. Mr Creighton thought the colour was lighter than the colour used by Cadbury. [*To my eye, it is a slightly lighter purple, but I am not sure whether an average consumer would notice the difference*].
- Ryelands chocolate bar. Mr Creighton thought it was "quite light" compared to Cadbury's colour. [*I agree, but I am not sure whether an average consumer would notice the difference*].
- Sainsbury's Belgian chocolate fudge. Mr Creighton thought it was similar. [*In my view, an average consumer would not notice the difference*].
- Waitrose chocolate éclairs. Mr Creighton thought that the purple colour used was similar to that of Cadbury, but pointed out that it was not the main colour used (which was light brown). [*In my view, an average consumer would not notice the difference between the purples used*].
- Werther's Original chocolate. Mr Creighton thought that the purple used came close to the one used by Cadbury, but he again pointed out that it was not the predominant colour on the packaging (which was gold). [*In my view, an average consumer would not notice the difference between the purples used*].

32. Mr Creighton was also asked about the meaning of "predominant colour" in the mark description. He said that a number of factors determined whether use of a colour was to be regarded as 'predominant' or just incidental. The main factors were:

- 1) The proportion of the surface area of the packaging on which the colour appears.
- 2) The position on the packaging where the colour appears, particularly whether the colour appears on the front of the packaging and at the top of the packaging as the product is viewed.
- 3) Whether the colour appears as a continuous block or is mixed up with other colours.

Ultimately, it was a matter of overall impression.

33. Mr Malynicz asked Mr Creighton a number of questions about the distinction between chocolate confectionery and biscuits. The significance of this is that there is more evidence of third party use of purple in relation to biscuits and in relation to some 'cross over' products, such as chocolate covered cereal bars and biscuit based confections, such as Kit Kat and Twix. On the basis of the distinction between the product categories, Mr Creighton's written evidence³¹ was that the use of purple on biscuit products, wafer bars, cereal bars, tea cakes (which he considered to be

³¹ See Creighton III

strictly biscuits, despite the name) and frozen desserts should be discounted. Mr Creighton sought to maintain the distinction during cross examination, but he had to accept that certain products such as Kit Kat and Twix are sometimes stocked in the biscuit section of a shop and sometimes in the confectionery section.

34. I was not convinced that the distinction between some types of confectionery and the products mentioned above (with the exception of frozen desserts, which I think is a clearly different albeit related category) was as sharp as Mr Creighton claimed. If one adds in the third party uses of purple identified on these products, the number of such uses increases from the 35 instances listed above to around 60. However, not all of these additional uses of purple are close to the colour purple applied for. For example, Nestlé's representatives wrote to United Biscuits asking for supporting statements about that party's longstanding use of a purplish colour for its Jacob's biscuits products. The response was that the colours used by United Biscuits were quite different from the one used by Cadbury³². This is borne out by the examples of the products I have seen in evidence.

35. Mr Malynicz put it to Mr Creighton that there was a lot of third party use of purple in relation to chocolate products at large and the position had not changed much since 2004 compared to before. However, Mr Creighton insisted that the scale of third party uses was small compared to the thousands of relevant products on the market, which he claimed was over 10,000. This part of his evidence can be summed up in the following exchange:

Q. There is no suggestion that all these people have suddenly started using purple, is there? These uses we have been looking at, do you have a sense that somebody has been jumping on a bandwagon here or do you think it is the same as it always has been more or less?

A. Genuinely, I think there is a low level of noise around, not necessarily our purple, but various shades of purple have been going around for some time, but at a very low level.

36. Finally, Mr Creighton was asked about Nestlé's use of purple on a product known as The Purple One. This product started off as an individual chocolate in Nestlé's Quality Street assortment. However, since 2000 a larger version of the product has been sold separately. Mr Creighton accepted that Cadbury was aware of the use. The parties had some discussions about it, but it appears that these ended two years ago and the Nestlé product is still on sale in a wholly purple wrapper. The purple is indistinguishable from the one applied for by Cadbury.

Third Party Perception of Cadbury's Use of Purple

37. Mr Palmer, Ms Watson and Mr Creighton provide evidence³³ about references made to Cadbury and purple by the press. Most are from trade publications in the marketing field. Ms Himsworth drew my attention to a number of them, including an

³² See exhibit PC20 to Creighton IV

³³ See Palmer II, which is in exhibit HMW1 to Ms Watson's statement, and exhibit AFP2, Watson I and exhibit HMW28, and Creighton III and exhibit PC19.

article which appeared in Super Marketing on 11 December 1992 under the title “The colour purple”. The article is about a change in Cadbury’s marketing strategy which placed more emphasis on the colour purple. The article notes that:

“There is only one confectionery company immediately associated with familiar dark purple – Cadbury’s – thanks to the heavy branding of its flagship chocolate bar, Dairy Milk.

If you think you’ve see more purple than usual lately it’s probably down to Cadbury’s recent marketing drive. It’s there on television advertising – a purple chocolate tear off strip in the left hand corner. And it’s on the electronic vending machines Cadbury has installed in British Rail stations nationwide.”

Another article appeared in Design Weekly on 5 July 1996 which noted that:

“To the British, quality and chocolate is the purple of Cadbury’s while in Germany and Austria it is the mauve of Milka. In other words, a new system of colour association has grown up driven by design and branding.”

38. More significantly, Cadbury has provided evidence from two trade associations³⁴ that purple is distinctive of Cadbury. Mr John Bowden was the Chief Executive of the Wholesale Confectionery and Tobacco Alliance in 1997. He made a statutory declaration on 3 March 1997 in which he stated that:

“[He] regard[s] the two colours lilac and purple as wholly and individually distinctive in relation to chocolate in bar and tablet form. The colours lilac and purple have now been used for such a long time and on such a scale by Kraft Jacobs Suchard SA and Cadbury Limited, respectively, that [he] verily believe[s] no other trader could or would legitimately wish to use these specific colours in relation to the sale of chocolate in bar and tablet form.”

39. Mr John Easter was in 1996 the Director of the Biscuit, Cake, Chocolate and Confectionery Alliance. He made a statutory declaration on 13 November 1996 in which he gave identical evidence to that of Mr Bowden.

40. Mr Palmer and Ms Watson gave evidence³⁵ about Cadbury having received complaints from customers about having been misled by the use of purple by others.

41. Mr Palmer’s examples relate to uses by companies based in Northern Cyprus and involved use of misleading get-up and brand names, not just colour. I do not find this evidence to be of assistance.

42. Ms Watson’s examples both relate to the use in 2005 by Netto’s supermarket of the get-up and colour for the packaging of a chocolate drops product which closely resembled that used by Cadbury for its Cadbury’s Buttons product. Two customers complained that they were deceived. Although the get-up is also similar, the design seems quite unremarkable. It therefore seems likely that the use of an identical colour played a significant role in the deception. I understand that the product has

³⁴ See Creighton III and exhibit PC18.

³⁵ See Watson I and exhibit HMW27 and Palmer II and exhibit AFP10.

since been withdrawn. Ms Watson says that similar complaints have been received in earlier years, but not retained.

43. Mr Richard Shaw is a Director of Beagle Research Limited, which is a research and communications company. Mr Shaw has conducted research for Cadbury since 2000. Mr Shaw provided a witness statement dated 13 January 2006³⁶ in which he recalls a particular piece of research from 2002 as follows:

“I recall one particular exercise that I conducted in 2002 to explore the 'symbolism' of Cadbury. I "took apart" all the constituent elements of a Cadbury Dairy Milk bar and rebuilt it in front of a group of consumers. The purpose of this exercise was to see at what stage (starting from a blank bar of chocolate) consumers recognised the brand that was being created. I do not recall whether I added the Cadbury Purple to the bar as the first element. I think it very likely that I did as it is the background on which all other elements rest. If I were undertaking the same research today I would put the Cadbury Purple background on first. Consumers recognised the bar as a Cadbury bar as soon as the Cadbury Purple background was added to the bar. At a basic level nothing else needed to be added to identify the product as a Cadbury product. That is to say, the Colour Purple was associated exclusively with Cadbury for chocolate bars. The specific exercise was done for some research on the 'cosmology of Cadbury'. Extracts from the research are at exhibit 1.”

44. Exhibit 1 to Mr Shaw's statement consists of slides from his presentation of the results of his research. I note from these that he says that *“Cadbury's Dairy Milk is the manifestation of the product – it has appropriated this [purple] colour”* and that blends of chocolate with other ingredients was less associated with Cadbury's symbolism, even where some of the packaging was purple.

45. Mr John Barter is a very experienced market researcher. He was at one time the Chairman of NOP, the Market Research Society and the Association of Market Research Organisations. Mr Barter made a statutory declaration on 31 July 1997³⁷ in which he explained the results of a public survey conducted earlier that year which he had helped to design on behalf of Cadbury (“the Barter survey”). The purpose of the survey was to test the extent to which the public associated the colour purple with Cadbury. Essentially, 500 people who were considered to be broadly representative of the population and aged between 16 and 65 were interviewed in 15 locations across the UK. They were shown a mock-up of a chocolate bar packaged entirely in plain purple wrapping without any other markings. A matched control sample of the public was shown a similar mock-up, except that the wrapping shown to them was green instead of purple.

46. The first question asked of the respondents was *“What do you think this is?”* In response to that question, 35% of respondents mentioned Cadbury or Dairy Milk. When asked why, 138 of all of the 148 that had mentioned Cadbury in response to this question cited the colour purple as a reason for doing so. 332 other respondents, who had not mentioned Cadbury in response to question 1, mentioned chocolate, Dairy Milk or Milk Tray (another Cadbury's product). When asked why, a further 101 of these 332 respondents mentioned Cadbury and 83 of these people cited the colour of the bar as a reason why they made the association. The other 231 (of the

³⁶ See exhibit PC2 to Creighton III.

³⁷ Included in exhibit HMW1 to Watson I.

332 who had answered 'chocolate', 'Dairy Milk' or 'Milk Tray' in response to question 1) were then asked "Does the colour indicate anything to you?" If they said yes, (23 said 'no') they were then asked "What does the colour indicate to you?" In response to these questions, 160 respondents indicated that the purple colour meant Cadbury or Dairy Milk. The remaining 17 respondents from the total sample, who had given an answer to question 1 which was not Cadbury, a Cadbury brand or 'chocolate' were asked further prompting questions. As a result, another 3 of these mentioned Cadbury and cited the colour of the bar as the reason for making the connection.

47. Mr Barter concludes that 83% of the total sample mentioned Cadbury or Dairy Milk in response to the various questions and that this demonstrates a strong association between Cadbury and the purple colour shown to respondents (which was the same purple as the mark as issue). By contrast, just 17 (3%) of the control sample shown the green bar made any mention of Cadbury for any reason when asked the same questions.

48. I note that 77% of respondents in the Barter survey made a connection to Cadbury or one of its brands and cited colour as a reason. I further note that 44% of the total sample made a connection to Cadbury (or one of its brands), and cited colour as a reason for doing so, before being asked any questions about colour.

49. Mr Timothy Burns is also an experienced market researcher. Before becoming the Managing Director of Test Research Partners he was the Deputy Managing Director of MORI. Mr Burns was instructed in October 2007 to undertake three public surveys in connection with this application. The results are set out in a witness statement dated 22 January 2008.³⁸ The surveys focused on a carton of the type used for chocolate assortments, a square box intended to represent a typical cake box, and a cylindrical jar for drinking chocolate. Three groups of around 160 members of the public in 12 different locations were shown examples of all of the above packaging presented in the purple colour covered by this application, with no other markings. A control group of a similar size was shown a red version of the carton for chocolate assortments (but not a red version of the cake box or the drinking chocolate jar). In contrast to the earlier survey, all of the interviews for these surveys took place in the respondent's homes.

50. Mr Burns' statement sets out the high level results. According to this, 85% of the group shown the purple carton for chocolate assortments mentioned Cadbury at some point ("Survey 1") when asked a series of questions beginning with "If this pack contained real chocolates what could you tell me about it?". Similarly, 74% of the group shown the larger purple cake box mentioned Cadbury at some point ("Survey 3") when asked a series of questions beginning with "If this pack contained real chocolate cake what could you tell me about it?". And 93% of the group shown the cylindrical purple jar mentioned Cadbury at some point ("Survey 4") when asked a series of questions beginning with "If this pack contained real chocolate powder what could you tell me about it?". However, and perhaps somewhat surprisingly, 61% of the group shown the red chocolates carton and asked the same questions as with the purple carton, also mentioned Cadbury ("Survey 2").

³⁸ See Burns I and exhibits TRB1-10.

51. In order to better understand the significance of these responses it is necessary to understand a bit more about the structure of the surveys. The first questions are set out above and appear to be quite open neutral questions. In surveys 1 & 2 the respondents who mentioned Cadbury in response to question 1 were asked why they thought it had something to do with Cadbury. In survey 1, 45 out of 160 respondents mentioned Cadbury in response to question 1, and 36 (22% of all the respondents) gave colour as a reason. A further 63 mentioned a Cadbury brand, but not Cadbury. When asked why they thought the carton had something to do with this brand, only one of these 63 mentioned Cadbury, and none are recorded as having given colour as a reason at this stage. The respondents were then asked a much more direct question *“Can you tell me who makes this?”* In response to that question, 55 of the 63 mentioned Cadbury, and 23 of these cited the colour purple as a reason.

52. The 52 respondents who did not mention either Cadbury or a Cadbury brand in response to question 1, were also asked why they had given the answer they had. At that point another 2 mentioned Cadbury and went on to give colour as reason. The other 50 mentioned something else (46) or a Cadbury brand name (4). They were then asked *“Can you tell me who makes this?”* This (and in some cases another prompt *“Does the colour indicate anything to you?”*) produced another 32 mentions of Cadbury with 17 people citing the colour as a reason for answering Cadbury, and a further 3 saying that the colour indicated Cadbury. Consequently, before being asked the question *“Can you tell me who makes this?”* only 38 (23%) of respondents in the survey mentioned Cadbury and gave the colour of the carton as a reason for doing so. After that question (and in some cases a further prompt) over 80% of respondents had mentioned Cadbury, and just over 50% had mentioned the colour purple as a reason.

53. In survey 2 (the red “control” chocolates carton), 42 out of 163 mentioned Cadbury in response to question 1, and a further 55 mentioned a Cadbury brand name. This is only 11 fewer respondents compared to the group that were shown the purple carton. The most significant difference is that only 3% of this total sample group mentioned colour as a reason for associating the red carton with Cadbury. The most common reason was the size or shape of the carton, cited by 52 respondents (32%).

54. In survey 3 (the purple cake box), 76 respondents mentioned Cadbury in response to question 1, and a further 5 mentioned a Cadbury brand name. 74 of these 81 respondents (44% of the total sample) gave the colour as a reason for their answer. When the 88 respondents who had not mentioned Cadbury or a Cadbury brand name in response to question 1 were asked why they had given their answers, 6 more mentioned Cadbury (or in one case, a Cadbury brand name) and all of these went on to give colour as a reason for making the connection. The other 82 respondents were then asked the more direct question *“Can you tell me who makes this?”* This (and in some cases another prompt *“Does the colour indicate anything to you?”*) produced another 40 mentions of Cadbury. Of these 25 cited the colour as a reason for making the connection with Cadbury and 11 answered ‘Cadbury’ when asked what the colour indicated to them. Accordingly, nearly half the sample mentioned Cadbury and gave colour as a reason for doing so in response to the first

two open questions. After the more direct questions were asked, a further 36 mentioned Cadbury and cited colour as a reason, making 116 (68%) in all.

55. Survey 4 was more straightforward. In response to the first question (*"If this pack contained real chocolate powder what could you tell me about it?"*) 117 out of 159 respondents mentioned Cadbury, and 106 of these (67% of all respondents) gave colour as a reason for making the connection. When the 42 respondents who had not mentioned Cadbury in response to question 1 were asked why they had given their answers, a further 5 mentioned Cadbury and 3 of these gave colour as a reason. The other 37 were then asked the more direct questions described above. This produced 26 more mentions of Cadbury and 18 said that they made the connection with Cadbury because of colour and 3 more said (after the further prompt *"Does the colour indicate anything to you?"*) that the colour indicated Cadbury. Therefore 109 respondents (69% of all respondents) mentioned Cadbury and gave colour as a reason for making the connection in response to the first two open questions. After the more direct questions were asked, a further 21 mentioned Cadbury and cited colour as a reason, making 141 (89%) in all.

Cross Examination of Mr Burns

56. Mr Malynicz submitted that Mr Burns was a poor witness because he was too eager to defend the surveys and overly resistant to any criticism. Some of that criticism is justified. Mr Burns showed a high level of professional pride in his work and could not see much force in any criticisms of it. On the other hand, he was completely candid about how the surveys had been run, and why, and he was prepared to accept that certain features of the surveys could have been improved if more money had been spent on them.

57. Turning to the specifics, Mr Malynicz asked Mr Burns a number of questions about whether surveys 1-4 were properly representative of the relevant public and about whether conducting interviews in respondents' homes was likely to skew the result, for example, by reducing the representation of young people or by exposing the mock-up packaging in a range of lighting conditions. I was satisfied from Mr Burns' answers that the surveys had been properly conducted and the sample respondents were as representative as they were claimed to be.

58. Mr Burns was also asked about the original questionnaires, which it transpired had been destroyed after a couple of years because Mr Burns thought (quite reasonably, I think) that this matter must have been concluded by then. As he has provided a table of the verbatim responses of each respondent in the surveys³⁹, I do not consider that the loss of the original questionnaires is important in this case.

59. There was some discussion about whether the later questions in surveys 1-4 were leading. Mr Burns' response was that the questions in the surveys had a "funnelling" quality. They started off very open but then became more prompting. That is plainly so, but I do not think it answers the criticism that the question *"Can you tell me who makes this?"*, in particular, is encouraging the respondents to speculate.

³⁹ See exhibits TRB6,8 & 10.

60. Not surprisingly, Mr Malynicz pressed Mr Burns about the outcomes of surveys 1 & 2 where the percentage of respondents mentioning Cadbury differed only from 85% to 61%, despite the fact that the stimulus in survey 2 was a red chocolate carton. Mr Burns took the position that the difference between 85% and 61% was significant, which it probably is from a statistical viewpoint. Further, he pointed out that the percentage of respondents who cited colour as a reason for mentioning Cadbury in survey 1 (the purple carton), at over 50%, was much higher than the percentage who cited colour as a reason for mentioning Cadbury in survey 2 (the red carton), at just 3%.

61. I accept that the greatly different numbers mentioning colour as a reason for mentioning Cadbury in these surveys is important because it indicates that purple is associated with Cadbury, to some extent, in relation to chocolate assortments. However, the proportion of those linking Cadbury to the red carton shows that there was a certain amount of guesswork going on. This is consistent with the number of respondents who mentioned well known brands of chocolate in response to question 1, and either then or later mentioned Cadbury. 68 of these respondents (49% of all those that mentioned Cadbury at some point in survey 1) mentioned Roses in response to question 1, even though Cadbury's Roses are sold in a mainly light blue carton (and almost as many (52) mentioned Roses when shown the red carton in survey 2). By contrast, only 10 respondents mentioned Heroes when shown the purple carton in survey 1, even though Cadbury's Heroes are sold in a purple carton. More respondents (21) mentioned Quality Street in response to question 1, which are also sold in a (slightly lighter) purple coloured carton, but is not a Cadbury product.

62. I do not accept Mr Burns' evidence that survey 1 shows a very strong association between Cadbury and a purple carton for chocolate assortments. Rather, what surveys 1 & 2 show, in my view, is that there is an association between chocolate *per se* and Cadbury (which came out most strongly in survey 2) and also a general association between Cadbury and purple (which came out most strongly in survey 1), but that the consumers' linkage between Cadbury and a purple carton of the type used for chocolate assortments is blurred and confused by the fact that Cadbury's most popular product of this type is marketed in a carton that is mainly light blue, whilst the other market leading product of this type, Quality Street, is sold in a (lighter) purple carton, but is not a Cadbury product. In these circumstances it is not surprising that the survey questions prompted a significant degree of guesswork and confusion.

63. Mr Malynicz put it to Mr Burns that the absence of control groups for surveys 3 and 4 undermined their results. Somewhat reluctantly, Mr Burns agreed that it would have better to have had control groups for these surveys too, but he explained that it was not done because of cost, and he maintained that the association shown with Cadbury in these surveys was so high that the absence of control groups did not undermine his opinion that they demonstrated a very high level of association between the relevant shade of purple and Cadbury.

64. Mr Burns was also asked about the earlier survey described in Mr Barter's evidence, which it turned out that he had conducted on Mr Barter's behalf. He rejected Mr Malynicz's suggestion that the use of a descriptive colour – green,

indicating mint flavour – for the control sample undermined confidence in this survey too, pointing out that it was difficult to find a wholly neutral colour for chocolate.

65. Mr Burns also rejected the suggestion that the use of the question “*What does the colour indicate to you?*” in the Barter survey was leading and inappropriate because it encouraged speculation. He pointed out that the question was only put to respondents who had already answered the preceding question “*Does the colour indicate anything to you?*” positively.

66. I accept Mr Burns’ evidence on these points. The colour chosen for the control sample in the Barter survey did not undermine the result in my view. And the questions were not leading beyond what was necessary to provide a relevant framework for the interviews. In my view, the questions in the Barter survey were superior to those used in the more recent surveys. In particular, they do not include the question “*Can you tell me who makes this?*” This question appears to me to be little more than an invitation to guess. I recall that only 22% of respondents in survey 1 mentioned Cadbury and the colour of the carton before they were asked this question. However, in survey 3, nearly half the respondents mentioned Cadbury and the colour of the carton just in response to the preceding [first] question (“*If this pack contained real chocolate cake what could you tell me about it?*”) and the follow up question “*why?*” In survey 4, concerning a purple container for powder for drinking chocolate, the comparable figure is higher still at 69%. In my view, these surveys show a substantial degree of association between Cadbury, purple, and the specific categories of products identified in the survey stimulus and the opening [non-leading] questions.

The Section 3(1)(a) Grounds

67. Section 1(1)(a) is as follows:

“1. - (1) In this Act a “trade mark” means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.”

68. 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.”

69. It is convenient to take the opponent's first three grounds of opposition together. These grounds are that the mark is not:

- i) A sign;
- ii) Capable of being represented graphically;
- iii) Capable of distinguishing the goods of one undertaking from those of others because it is a single colour.

70. These matters were considered by the European Court of Justice ("ECJ") in *Libertel*,⁴⁰ in which the court was essentially asked whether it was possible to register a single colour *per se*, without spatial definition. It is common ground that the court's answer is binding because the above sections of the Act are intended to implement Article 3 of the European Union's Trade Mark Directive and must therefore be interpreted consistently with Article 3, so far as it is possible to do so. The following extract is the relevant part of the court's analysis of, and answers to, the questions asked of it.

"21. The questions referred, which concern Article 3 of the Directive, relate to whether, and if so in what circumstances, a colour *per se*, not spatially defined, is capable of possessing distinctive character for certain goods or services.

22. In order to consider those questions it is necessary as a preliminary matter to determine whether a colour *per se* is capable of constituting a trade mark for the purposes of Article 2 of the Directive.

23. To that end, the colour must satisfy three conditions. First, it must be a sign. Secondly, that sign must be capable of graphic representation. Thirdly, the sign must be capable of distinguishing the goods or services of one undertaking from those of other undertakings.

24. -

25. -

26. -

27. In that regard it must be pointed out that a colour *per se* cannot be presumed to constitute a sign. Normally a colour is a simple property of things. Yet it may constitute a sign. That depends on the context in which the colour is used. None the less, a colour *per se* is capable, in relation to a product or service, of constituting a sign.

28. Furthermore, as the Court has held, a graphic representation within the meaning of Article 2 of the Directive must enable the sign to be represented visually, particularly by means of images, lines or characters, so that it can be precisely identified (Case C-273/00 *Sieckmann* [2002] ECR I-11737, paragraph 46).

29. In order to fulfil its function, the graphic representation within the meaning of Article 2 of the Directive must be clear, precise, self-contained, easily accessible, intelligible, durable and objective (*Sieckmann*, paragraphs 47 to 55).

⁴⁰ Case C-104/01, *Libertel Groep BV and Benelux-Merkenbureau*.

30. In this case the query referred to the Court relates to an application to register a colour *per se*, represented by a sample of the colour on a flat surface, a description in words of the colour and/or an internationally recognised colour identification code.

31. A mere sample of a colour does not, however, satisfy the requirements set out in paragraphs 28 and 29 of this judgment.

32. In particular a sample of a colour may deteriorate with time. There may be certain media on which it is possible to reproduce a colour in permanent form. However with other media, including paper, the exact shade of the colour cannot be protected from the effects of the passage of time. In these cases, the filing of a sample of a colour does not possess the durability required by Article 2 of the Directive (see *Sieckmann*, paragraph 53).

33. It follows that filing a sample of a colour does not *per se* constitute a graphic representation within the meaning of Article 2 of the Directive.

34. On the other hand, a verbal description of a colour, in so far as it is composed of words which themselves are made up of letters, does constitute a graphic representation of the colour (see *Sieckmann*, paragraph 70).

35. A description in words of the colour will not necessarily satisfy the conditions set out in paragraphs 28 and 29 of this judgment in every instance. That is a question which must be evaluated in the light of the circumstances of each individual case.

36. A sample of a colour, combined with a description in words of that colour, may therefore constitute a graphic representation within the meaning of Article 2 of the Directive, provided that the description is clear, precise, self-contained, easily accessible, intelligible, and objective.

37. For the same reasons as those set out at paragraph 34 of this judgment, the designation of a colour using an internationally recognised identification code may be considered to constitute a graphic representation. Such codes are deemed to be precise and stable.”

71. It is clear from paragraph 27 of the judgment that colour may constitute a sign, but that it cannot be presumed to do so. Whether colour constitutes a sign depends on the context in which it is used. In some cases it may simply be a property of the goods. For example, brown is the natural colour of chocolate. In that case, the colour may not be a sign at all when used in relation to chocolate because it conveys no information apart from the product itself. In other cases the use of colour may be incidental, such as the colour of the shoes of a child shown eating a bar of chocolate in a picture appearing on the packaging of the product. Such incidental use of colour would not send any information to the consumer. Therefore it is not serving as a sign.

72. I have seen nothing to suggest that the colour purple applied for is a simple property of chocolate. The description of the mark indicating that the colour is “...*applied to the whole visible surface, or being the predominant colour applied to the whole visible surface, of the packaging of the goods*” appears to be intended to show how the colour in question is used as a sign. If it is used like this then it is capable of constituting a sign in the sense required by Section 1 of the Act.

73. Nestlé's principal reason for saying that the mark is not a sign is that it is really an infinite number of signs. In support of this submission, Mr Malynicz drew my attention to further decisions of the ECJ in *Dyson*⁴¹ and *Heidelberger Bauchemie*⁴². The *Dyson* case concerned an application to register two trade marks consisting of a transparent bin or collection chamber as part of the outer surface of vacuum cleaners. When it became apparent that the marks were intended to protect the concept of a transparent bin or collecting chamber on a vacuum cleaner (as opposed to a fixed and particular application of the concept) the court found that such a mark did not constitute a sign because the concept could take many forms. It followed that the marks in question represented merely properties of the goods for which they were to be registered - vacuum cleaners. The court pointed out that the effect of registering marks of that kind could be to give their holders an unfair advantage over their competitors. Consequently, the marks were not 'signs' and did not satisfy the requirements for registration as trade marks.

74. I have already found that the opposed colour mark does not represent a simple property of chocolate. Consequently, I see nothing in *Dyson* which persuades me that the mark is not a sign. As Ms Himsworth pointed out on behalf of Cadbury, this conclusion is consistent with the Opinion of Advocate General Leger in *Dyson*, who in paragraph 54 of his Opinion, distinguished the concept of a clear bin from trade marks consisting of colour *per se*.

75. The *Heidelberger Bauchemie* case concerned an application to register a colour combination consisting of defined shades of blue and yellow arranged "*in every conceivable form*". The court was asked whether such a sign satisfied Article 2 of the Directive. The following extract from the ECJ's judgment is the relevant part of the court's analysis of, and answer to, the question asked of it.

"23. As the Court has already held, colours are normally a simple property of things (*Libertel*, paragraph 27). Even in the particular field of trade, colours and combinations of colours are generally used for their attractive or decorative powers, and do not convey any meaning. However, it is possible that colours or combinations of colours may be capable, when used in relation to a product or a service, of being a sign.

24. For the purposes of the application of Article 2 of the Directive, it is necessary to establish that in the context in which they are used colours or combinations of colours which it is sought to register in fact represent a sign. The purpose of that requirement is in particular to prevent the abuse of trademark law in order to obtain an unfair competitive advantage.

25. Moreover, it is clear from the Court's case-law (Case C-273/00 *Sieckmann* [2002] ECR I-11737, paragraphs 46 to 55, and *Libertel*, paragraphs 28 and 29) that a graphic representation in terms of Article 2 of the Directive must enable the sign to be represented visually, particularly by means of images, lines or characters, so that it can be precisely identified.

26. Such an interpretation is necessary for the proper working of the trade mark registration system.

⁴¹ *Dyson Ltd v Registrar of Trade Marks*, Case C-321/03

⁴² *Heidelberger Bauchemie GmbH*, Case C-49/02.

27. The function of the requirement of graphic representation is in particular to define the mark itself in order to determine the precise subject of the protection afforded by the registered mark to its proprietor.

28. The entry of the mark in a public register has the aim of making it accessible to the competent authorities and to the public, particularly to economic operators.

29. On the one hand, the competent authorities must know with clarity and precision the nature of the signs of which a mark consists in order to be able to fulfil their obligations in relation to the prior examination of applications for registration and the publication and maintenance of an appropriate and precise register of trade marks.

30. On the other hand, economic operators must be able to acquaint themselves, with clarity and precision, with registrations or applications for registration made by their actual or potential competitors, and thus to obtain relevant information about the rights of third parties.

31. In those circumstances, in order to fulfil its role as a registered trade mark, a sign must always be perceived unambiguously and uniformly, so that the function of mark as an indication of origin is guaranteed. In the light of the duration of a mark's registration and the fact that, as the Directive provides, it can be renewed for varying periods, the representation must also be durable.

32. It follows from the above that a graphic representation for the purpose of Article 2 of the Directive must be, in particular, precise and durable.

33. Accordingly, a graphic representation consisting of two or more colours, designated in the abstract and without contours, must be systematically arranged by associating the colours concerned in a predetermined and uniform way.

34. The mere juxtaposition of two or more colours, without shape or contours, or a reference to two or more colours 'in every conceivable form', as is the case with the trade mark which is the subject of the main proceedings, does not exhibit the qualities of precision and uniformity required by Article 2 of the Directive, as construed in paragraphs 25 to 32 of this judgment.

35. Such representations would allow numerous different combinations, which would not permit the consumer to perceive and recall a particular combination, thereby enabling him to repeat with certainty the experience of a purchase, any more than they would allow the competent authorities and economic operators to know the scope of the protection afforded to the proprietor of the trade mark.

36. As regards the manner in which each of the colours concerned is represented, it is clear from paragraphs 33, 34, 37, 38 and 68 of *Libertel* that a sample of the colour concerned, accompanied by a designation using an internationally recognised identification code, may constitute a graphic representation for the purposes of Article 2 of the Directive.

37. As regards the question whether, for the purposes of this provision, colours or combinations of colours are capable of distinguishing the goods or services of one undertaking from those of other undertakings, it must be determined whether or not those colours or combinations of colours are capable of conveying precise information, particularly as regards the origin of a product or service.

38. It follows from paragraphs 40, 41 and 65 to 67 of *Libertel* that, whilst colours are capable of conveying certain associations of ideas, and of arousing feelings, they possess little inherent capacity for communicating specific information, especially since they are commonly and widely used, because of their appeal, in order to advertise and market goods or services, without any specific message.

39. Save in exceptional cases, colours do not initially have a distinctive character, but may be capable of acquiring such character as the result of the use made of them in relation to the goods or services claimed.

40. Subject to the above, it must be accepted that for the purposes of Article 2 of the Directive colours and combinations of colours, designated in the abstract and without contours, may be capable of distinguishing the goods or services of one undertaking from those of other undertakings.”

76. Accordingly, in the case of combinations of colours, the representation of the mark put forward for registration must include a “*systematic arrangement*” which associates the colours in a predetermined and uniform way. It is evident from paragraph 33 of the court’s judgment that the mere juxtaposition of two colours does not meet this requirement. However, it appears from paragraph 40 of the judgment that meeting the requirement need not involve the use of contours or other methods of spatial definition because such a requirement would exclude colours being designated, at least to some extent, “*in the abstract*”⁴³. It follows that the judgment cannot require that it is necessary to show how the colour combination is used in relation to every product in the list of goods.

77. As I understand it, Nestlé’s case under this heading is that:

- i) The representation of the mark put forward by Cadbury would permit a material variation in the proportion of the packaging bearing the colour in question, ranging from an uncertain % to 100% of the visible surface.
- ii) The reference to purple being “*the predominant colour*” applied to the packaging of the goods implied that another colour could be present on the packaging and this effectively meant that the mark was a colour combination, but with only one colour named and defined.

78. I reject the argument (ii) above. As I have already observed, the words “*...applied to the whole visible surface, or being the predominant colour applied to the whole visible surface, of the packaging of the goods*” serve to identify a specific use of the colour purple which constitutes a sign. That is not to say that the colour purple will not be used with other material on the packaging. It is clear from the evidence that it is often so used. However, that other material does not form a part of the sign applied for. It is not therefore appropriate to regard the mark as a combination or colours, or indeed a combination of the colour in question with any other distinguishing matter.

⁴³ An example of an apparently acceptable systematic arrangement of two colours can be found in Case T-137/08, *BCS SpA v OHIM*, a judgment of the General Court. By contrast, Cases T-299/09 & T-300/09 are examples of rejected colour combinations with inadequate systematic arrangement.

79. In considering the merit of argument (i) at paragraph 77 it is important to bear in mind the following points:

- 1) Although it is clear from section 10(4) of the Act (reflecting Article 5(3) of the Directive) that a trade mark may be used and infringed by, inter alia, the application of the mark to the packaging of goods, or to advertising material or business papers, or to signs under which the goods are stocked, it is not normally necessary to specify how a trade mark will be used as a sign in the representation of the trade mark tendered for registration.
- 2) The judgment in *Libertel*⁴⁴ indicates that it must be established whether the use made, or proposed to be made, of the colour applied for constitutes a sign, but does not require that the specific uses made, or intended to be made, of the mark as a sign be incorporated into the graphical representation of the mark.
- 3) The absence of such a requirement in *Libertel* is particularly significant because (as here) that judgment concerned the registration of a single colour and the judgment was given by the Grand Chamber of the ECJ.
- 4) The requirement in *Heidelberger Bauchemie* for a “systematic arrangement” means a fixed relationship between the two or more colours making up the mark, not a spatial definition showing how that multi-colour mark is applied to the materials on which the mark is used in relation to the goods or services.

80. It therefore appears to me that Cadbury could have asked for registration of the colour purple, Pantone 2685C, without encumbering the representation of the trade mark with a description of a specific use of the colour that constitutes a sign. And if they had done so the same criticisms of the application could have been made. For example, it would not have been clear from the representation how (or even whether) the colour would be applied to the packaging of the goods. Nor would it have been clear how much of advertising materials, business papers or point of sale displays would have to be covered in the colour before it should be counted as use of the mark. In the event of a claim for infringement, a judgment would have had to have been made (as it is with every mark) as to whether, inter alia, the prospective infringer’s use constituted the use of a sign and whether such use was liable to affect the functions of the registered trade mark. Similar questions would also have arisen in the event that Cadbury’s own use of the mark was called into question. That would have required the decision taker to assess whether, inter alia, the mark had been used in accordance with its essential function of distinguishing Cadbury’s goods from those of others, which would inevitably have involved an assessment of whether Cadbury had used the colour as a sign.

81. I therefore find that the potential for the application of the sign to the goods to vary from product to product, in terms of the proportion of the visible surface of the packaging covered by the colour, is not a reason to conclude that the mark itself is

⁴⁴ See paragraph 27 of the judgment.

made up of an infinite number of signs. The mark itself – the colour purple Pantone 2685C - is fixed and stable. Provided that each use of the colour in relation to the goods constitutes a sign, and falls within the limitation “...*applied to the whole visible surface, or being the predominant colour applied to the whole visible surface, of the packaging of the goods*” it is use of the same sign. If it were otherwise the ECJ’s judgments in *Libertel* and *Heidelberger Bauchemie* to the effect that it is possible to register colour in the abstract, would be undermined. This is because if it were necessary to show by lines or contours how the colour looks when applied to each product, advertising media etc., then it would not be possible to register colour in the abstract. Rather, registration of colour would only be possible in the form of the “get-up” of a particular product or promotional article.⁴⁵

82. I therefore reject Nestlé’s argument that the subject matter of the application does not constitute a sign.

83. Turning to the question of graphical representation, it appears to me that the sample of the colour supplied on the form of application accompanied by the Pantone reference 2685C clearly satisfies the requirements set out in paragraphs 33-37 of *Libertel*. If that is so, the addition of the words “...*applied to the whole visible surface, or being the predominant colour applied to the whole visible surface, of the packaging of the goods*” makes the representation of the mark no less clear, precise, self-contained, easily accessible, intelligible, and objective. Arguably, the additional words make the representation more clear, accessible and intelligible. In this connection, I note that Advocate General Leger, who was plainly no fan of colour marks, in his Opinion to the court in *Libertel* seems to have thought that a registration in the form applied for was to be preferred to the registration of colour wholly in the abstract because it increased certainty⁴⁶.

84. Nestlé complains that the words “*being the predominant colour...*” are too vague. The same words were used in Cadbury’s existing registration 2020876A for the colour purple in relation to chocolate in bar and tablet form. The words were added to that application during its prosecution at the suggestion of the examiner. They appear to have been intended to increase legal certainty by excluding incidental uses of the colour from the immediate scope of the registration⁴⁷. However, because later case law⁴⁸ has clarified that the protection afforded by a trade mark registration is not absolute, but requires, inter alia, that a) the allegedly infringing use is use as a sign, and b) is liable to affect the functions of the registered trade mark, it is doubtful whether this approach is now necessary.

85. Be that as it may, I do not consider that the words are too vague. It is true that they require a decision taker to make a judgment as to whether a colour is the predominant one used on the visible packaging for a product. Mr Creighton’s

⁴⁵ Even before *Libertel*, the Court of Appeal of Northern Ireland had upheld the registration of a single colour mark in the abstract in *BP Amoco Plc v John Kelly Ltd* [2002] FSR 5, rejecting the defendant’s contention that the registration should be limited to the particular way in which the colour was shown to be applied to the claimant’s service stations in the representation on the form of application.

⁴⁶ See paragraphs 93-95 of the Opinion.

⁴⁷ The words seem to have originated from a judgment of Robert Walker J. in *United Biscuits (UK) Ltd v Asda Stores Ltd* [1997] RPC 513, in which he used the words “predominantly red” to describe the get-up of the Penguin biscuit wrapper.

⁴⁸ See the summary in *eBay v L’Oreal*, [2009] EWHC 1094 (Ch), at paragraph 283.

evidence at paragraph 31 above gives a reasonable idea of how such a judgment would most likely be made. It does not appear to me to present more difficulty than other judgments required to be made in relation to infringement. For example, it does not appear to me to any more difficult than deciding whether consumers would regard the purple covered by the application as being the same as another purple, or whether such differences as there may be would be likely to go unnoticed by an average consumer⁴⁹.

86. For these reasons, I also reject the claim that the mark is not graphically represented.

87. The first two grounds of opposition under section 3(1)(a) have therefore failed.

88. There is no need to say very much about the third section 3(1)(a) objection. Ms Himsworth relied upon the judgment of Mr Geoffrey Hobbs Q.C., as The Appointed Person, in *AD2000 Trade Mark*⁵⁰ to the effect that section 3(1)(a) permits registration unless the mark is only “capable” to the limited extent of “not being incapable” of distinguishing. It is clear from *Libertel* that a single colour is not “incapable” of distinguishing merely because it is a single colour. And Mr Malynicz accepted that if Cadbury could show that the mark had acquired a distinctive character through use at the relevant date, the ‘incapable of distinguishing’ objection under section 3(1)(a) would be bound to fail⁵¹. Alternatively, if or the extent that the objections under section 3(1)(b),(c) and (d) succeed, the outcome of the section 3(1)(a) objection becomes moot. Consequently, the outcome of this objection will follow the outcome of the objections under the other parts of section 3(1).

Section 3(6) grounds - Bad Faith

89. Mr Malynicz indicated at the hearing that Cadbury was no longer pursuing the bad faith claims set out in paragraph 4(vi) above. Accordingly, I need only address the ground that the mark was applied for in bad faith to the extent that Cadbury, did not use, and had no intention of using, the colour mark “....*applied to the whole visible surface....of the packaging of the goods*”.

90. It is common ground that the matter must be assessed as at the date of the application.

91. Mr Malynicz submitted a lack of intention to use a trade mark may justify a finding of bad faith and that, on the facts, the applicant had no intention to use the mark in the way described above. According to Mr Malynicz, the facts in this case were comparable to those in *Ferrero SpA;s Trade Marks*⁵². In the *Ferrero* case, the holder had registered 60 trade marks including the word Kinder, but the evidence showed that it had used only 6 of the marks, and this had been the position for a long period of time. On appeal from the Registrar, The Appointed Person, Mr David Kitchen Q.C. (as he then was) held that a) the requirement in section 32(3) of the Act

⁴⁹ This is the test for whether a mark and a sign are identical: *LTJ Diffusion SA v Sadas Vertbaudet SA*, Case C-291/00.

⁵⁰ [1997] RPC 168

⁵¹ ECJ, Case C-299/09, *Koninklijke Phillips NV v Remington Consumer Products Inc.*

⁵² [2004] RPC 29.

for applicant's to state that the mark is being used, or that there is a *bona fide* intention to use the mark, was consistent with EU law, and b) that the Registrar's Hearing Officer had been entitled to conclude on the evidence that Ferrero had no intention to use some of the Kinder marks it had registered and that they should be revoked for non-use.

92. The analogy with the *Kinder* case depends upon the argument that I have already rejected, that Cadbury's mark is really a bundle of marks rolled into one, only some of which will be used by Cadbury. Although I accept that a lack of intention to use a mark may justify a claim that a mark has been applied for in bad faith, I do not consider that the facts are analogous to those in the *Kinder* case. Rather, I accept Ms Himsworth submission that the use of the colour purple in question "...*applied to the whole visible surface...of the packaging of the goods*" is simply the ultimate example of the colour purple in question being predominant on the packaging of the goods.

93. There is in fact evidence⁵³ that Cadbury produced at least one product at the relevant date under the brand name Twirl, which was sold in a wrapper that was completely purple Pantone 2685C, apart from the space taken up by the brand name, the manufacturer's name, and the product information. Mr Malynicz accepted that the appearance of the required product information on the wrapper should not count when assessing whether the colour purple covered the whole visible surface of the packaging. However, he argued that the appearance of brand names in a different colour meant that the visible surface of the packaging was not wholly purple. In a literal sense, he is right. But the same can be said of the space occupied by the product information. I do not think that the description used by Cadbury could reasonably be taken to exclude the possibility of the use of brand names on the packaging of the product⁵⁴. To interpret the words so literally would be absurd. Further, even if this ultra literal interpretation of the words is correct, it is farfetched to suggest that the use of the words "...*applied to the whole visible surface..*" etc. in the circumstances described above can properly be characterised as Cadbury having fallen short "...*of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined*", which is the measure of bad faith adopted by the English courts⁵⁵. Even if this was a drafting error, I am satisfied that there is no *prima facie* case of bad faith for Cadbury to answer.

94. I therefore reject the remaining bad faith ground of opposition.

The Section 3(1) Grounds – Lack of Distinctiveness

95. It is common ground that matters concerning the distinctiveness of the mark must be assessed as at the date of the application, i.e. 15 October 2004 ("the relevant date").

⁵³ See exhibit HMW11 to Watson II

⁵⁴ A similar objection was considered and rejected in *BP Amoco Plc v John Kelly Ltd*, see paragraph 35 of the judgment.

⁵⁵ *Gromax Plasticulture Limited v. Don and Low Nonwovens Ltd*, [1999] RPC 367 and *Hotel Cipriani Srl v Cipriani Grosvenor St Ltd*, [2009] RPC 9.

96. Cadbury accepts that the mark is excluded from registration *prima facie* by section 3(1)(b) of the Act. Cadbury's case is that the mark had acquired a distinctive character through use by the date of the application. It is clear from the wording of the proviso to section 3(1) that if the mark had acquired a distinctive character as Cadbury claims, then that would be sufficient to overcome any *prima facie* objections under section 3(1)(b), (c) or (d). There is therefore no need for me to separately assess whether or not the mark was also excluded from registration, *prima facie*, by section 3(1)(c) and/or (d).

97. In assessing whether the mark had acquired a distinctive character at the relevant date, I will take account of the following guidance provided by the ECJ at paragraphs 64-67 of its judgment in *Libertel* with particular regard to marks consisting of colour *per se*.

“64. Account should be taken of the fact that the average consumer only rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind (see, in different contexts, *Lloyd Schuhfabrik Meyer*, paragraph 26, and Case C-291/00 *LTJ Diffusion* [2003] ECR I-2799, paragraph 52).

65. The perception of the relevant public is not necessarily the same in the case of a sign consisting of a colour *per se* as it is in the case of a word or figurative mark consisting of a sign that bears no relation to the appearance of the goods it denotes. While the public is accustomed to perceiving word or figurative marks instantly as signs identifying the commercial origin of the goods, the same is not necessarily true where the sign forms part of the look of the goods in respect of which registration of the sign as a trade mark is sought. Consumers are not in the habit of making assumptions about the origin of goods based on their colour or the colour of their packaging, in the absence of any graphic or word element, because as a rule a colour *per se* is not, in current commercial practice, used as a means of identification. A colour *per se* is not normally inherently capable of distinguishing the goods of a particular undertaking.

66. In the case of a colour *per se*, distinctiveness without any prior use is inconceivable save in exceptional circumstances, and particularly where the number of goods or services for which the mark is claimed is very restricted and the relevant market very specific.

67. However, even if a colour *per se* does not initially have any distinctive character within the meaning of Article 3(1)(b) of the Directive, it may acquire such character in relation to the goods or services claimed following the use made of it, pursuant to Article 3(3) of the Directive. That distinctive character may be acquired, *inter alia*, after the normal process of familiarising the relevant public has taken place. In such cases, the competent authority must make an overall assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking, and thus to distinguish that product from goods of other undertakings (*Windsurfing Chiemsee*..).”

98. The relevant part of the ECJ's earlier guidance in *Windsurfing Chiemsee*⁵⁶ with regard to the acquisition of distinctive character through use is as follows:

⁵⁶ Joined cases C-108 & C-109/97.

“51. 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.

52. 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 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.

53. As regards the method to be used to assess the distinctive character of a mark in respect of which registration is applied for, Community law does not preclude the competent authority, where it has particular difficulty in that connection, from having recourse, under the conditions laid down by its own national law, to an opinion poll as guidance for its judgment (see, to that effect, Case C-210/96 *Gut Springenheide and Tusky* [1998] ECR I-4657, paragraph 37).”

99. The net effect of this guidance appears to be that:

- i) I should remember that the public’s perception of the use of a colour is not necessarily the same as it would be with a traditional word mark.
- ii) However, the method of assessment of whether the mark had acquired a distinctive character remains the same, therefore:
 - a) The length of time and the extent of the use of the mark should be taken into account, as well as the amount spent promoting it (as a mark);
 - b) If a significant proportion of the relevant public have been shown to identify the goods as originating from a particular undertaking because of the trade mark, I must find that the mark had acquired a distinctive character;
 - c) In assessing whether the mark is distinctive as per (b) above, I may take account of statements from the trade and the results of public surveys.

100. There is a further consideration to be taken into account. This is covered in paragraphs 51-60 of the judgment in *Libertel*, and is as follows:

“51. The various grounds for refusing registration in Article 3 of the Directive must therefore be interpreted in the light of the public interest underlying each of them (Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 77).

52. -

53. -

54. As regards the registration as trade marks of colours *per se*, not spatially delimited, the fact that the number of colours actually available is limited means that a small number of trade mark registrations for certain services or goods could exhaust the entire range of the colours available. Such an extensive monopoly would be incompatible with a system of undistorted competition, in particular because it could have the effect of creating an unjustified competitive advantage for a single trader. Nor would it be conducive to economic development or the fostering of the spirit of enterprise for established traders to be able to register the entire range of colours that is in fact available for their own benefit, to the detriment of new traders.

55. It must therefore be acknowledged that there is, in Community trade-mark law, a public interest in not unduly restricting the availability of colours for the other operators who offer for sale goods or services of the same type as those in respect of which registration is sought.

56. The greater the number of the goods or services for which the trade mark is sought to be registered, the more excessive the exclusive right which it may confer is likely to be, and, for that very reason, the more likely is that right to come into conflict with the maintenance of a system of undistorted competition, and with the public interest in not unduly restricting the availability of colours for the other traders who market goods or services of the same type as those in respect of which registration is sought.

57-59. –

60. Accordingly, the reply to the third question referred must be that, in assessing the potential distinctiveness of a given colour as a trade mark, regard must be had to the general interest in not unduly restricting the availability of colours for the other traders who offer for sale goods or services of the same type as those in respect of which registration is sought.”

101. It is clear from this that the general interest in not unreasonably restricting competitor’s access to the use of colours must be taken into account by critically assessing whether the colour put forward for registration had acquired a distinctive character for each and every item covered by the list of goods⁵⁷. It could be thought that paragraphs 54-55 of the judgment might even require the refusal of registration on public interest grounds in some cases where a mark has been shown to have acquired a distinctive character. However, it is evident from paragraph 67 of the same judgment (quoted above) that this is not the case⁵⁸.

102. I do not think that there is any doubt on the evidence that there is an association of some kind in the public’s mind between the colour applied for and Cadbury. However, the question I must address is not simply whether the colour is distinctive of the company, but whether it is distinctive of its goods, and if so, which goods. I will therefore assess the matter in relation to each of the descriptions of goods in the application.

⁵⁷ The burden of proof is, in any event, on Cadbury. See *Dualit Ltd’s Application* [1999] RPC 899.

⁵⁸ The ECJ later confirmed in paragraph 27 of its judgment in *SAT.1 v OHIM*, Case C-329/02P, that the general interest referred to in *Libertel* was “indissociable” from the mark’s capacity to perform its essential function, which the court had earlier held in paragraph 47 of its judgment in *Philips*, Case C-299/99, was the measure of whether a mark had a distinctive character.

Chocolate in bar and tablet form

103. There is no doubt that Cadbury had used a shade of the colour purple in relation to its Dairy Milk chocolate bar for very many years before the relevant date. The particular shade applied for had been in use for nearly 20 years, inter alia, as the predominant colour on the packaging of the Dairy Milk product. At the relevant date, the Dairy Milk chocolate bar was the best selling confectionery product in the UK. The company spent £35m in 2004 alone promoting its products, including television advertising, which included the use of the colour in question (although also included the Cadbury name and particular brand names).

104. The use of the colour in promotional contexts, such as in the sponsorship of Coronation Street in 1996 and the Commonwealth Games in 2002 (at which the colour appears to have been used for branding purposes even more prominently than the name Cadbury), as the company's livery on its retail shops, and the use on other products to create a "purple patch" on retailer's shelves in order to guide consumers to Cadbury's products, all indicate that the use of Pantone 2685C (as the predominant colour on the packaging of chocolate in bar and tablet form) was intended to distinguish Cadbury's chocolate bars from those of other undertakings.

105. Further, Mr Bowden and Mr Easter gave evidence on behalf of two relevant trade associations that they considered the colour in question to be distinctive of Cadbury in relation to chocolate in bar and tablet form⁵⁹.

106. Further still, the Barter survey described at paragraphs 45-48 above provides cogent supporting evidence that the colour in question was strongly associated with Cadbury even before the relevant date in the context of chocolate in bar and tablet form. It is true that the level of association found in that survey was triggered by stimulus material that represented the colour as the only thing on the whole chocolate bar, whereas the mark allows for less use of the colour than this. However, the association shown is so strong that I still consider that the evidence supports Cadbury's case. In my experience, a 44% association between the colour on a product and a particular undertaking, before any questions have been asked about colour, is a very high level of association compared to most surveys of this kind. I also note that there is nothing in the survey responses which supports Nestlé's submission that the public sees purple as descriptive of a characteristic of chocolate.

107. There are only two uses of the colour by a third party in evidence which pre-date the application. The first is the use of the colour on the packaging of Aldi's Dairyfine chocolate bar. However, as I have already observed, this may have been an imitation of the market leading Cadbury product. As such, I do not regard this as detracting from Cadbury's claim of distinctiveness. The second relates to Thornton's use of purple on the packaging of a chocolate bar. This use started just 4 months prior to the date of the application and there is no evidence as to the extent of the use in the relevant 4 month period (or at all).

108. Admittedly, there is more use of the colour (or colours close to Cadbury's colour) by third parties after the relevant date, such as on the packaging for the

⁵⁹ See paragraphs 38 and 39 above.

Organica, Ryelands and Tesco 'Free From' chocolate bars mentioned above. These uses may indicate that other similar uses were taking place prior to the relevant date. However, there is insufficient evidence to conclude that such uses were on a scale that would have disturbed the relevant public's association between Cadbury and the colour in question in the context of chocolate in bar and tablet form. I remind myself that although it is not sufficient simply to be the best known user of a particular colour, there is no requirement in law to be the only user of a sign before it can be considered distinctive⁶⁰.

109. There remains the question of whether the association established between Cadbury and the colour is sufficient to show acquired distinctiveness. It is clear that mere association, in the sense of consumers "*being reminded of*" Cadbury, is not enough. Mr Richard Arnold Q.C. sitting as The Appointed Person in *Vibe Technologies Ltd Trade Mark Application*⁶¹, after extensively reviewing the authorities found that:

"what must be shown is that a significant proportion of the relevant class of persons rely upon the sign in question on its own as indicating the origin of the goods. I do not think, however, that it is essential for the applicant to have explicitly promoted the sign as a trade mark. It is sufficient for the applicant to have used the sign in such a way that consumers have in fact come to rely on it as indicating the origin of the goods. On the other hand, if the applicant has explicitly promoted the sign as a trade mark, it is more likely that consumers will have come to rely upon it as indicating the origin of the goods."

110. This does not necessarily mean that there must be evidence from consumers explaining how they rely on the trade mark. Other than a few instances of customer deception described in Ms Watson's evidence there is little direct evidence of reliance. I do not regard that as particularly telling. Where low cost impulse items are concerned, confusion will rarely come to light. This is partly because initial interest confusion⁶² is more likely than ultimate deception. And even if consumers are deceived, few will take the trouble to complain about the trade source of a bar of chocolate. The assessment of whether the mark has come to designate the goods of one undertaking to a significant proportion of the relevant public may therefore be made on the basis of reasonable inferences drawn from the manner, length and extent of the use of a mark, and from statements made by those in the trade. An example of this approach can be seen in the judgment of the ECJ in *L & D SA v OHIM*⁶³. The Community trade mark at issue in that case consisted of the shape of an air freshener, which was used together with a distinctive word mark. Admittedly, that case concerned the slightly different question of whether a weak mark had acquired a particularly distinctive character through use. However, as the court observed at paragraphs 49-51 of its judgment, that difference did not justify any difference of approach.

⁶⁰ See, for example, *West (t/A Eastenders) v Fuller, Smith and Turner Plc*, [2004] FSR 44.

⁶¹ [2009] ETMR 12

⁶² See paragraph 44 of the judgment in *BP Amoco Plc v John Kelly Ltd* and paragraphs 79-101 of the more recent judgment of Arnold J. in the High Court in *Och-Ziff Management Europe Limited and Another v Och Capital LLP and Others*, [2010] EWHC 2599 (Ch).

⁶³ Case C-488/06, at paragraphs 74-76

111. In my view, the manner of Cadbury's use of the colour in question, particularly the uses described in paragraph 104 above, are consistent with the use of the colour as a distinguishing sign for chocolate in bar and tablet form. And as Mr Arnold noted in *Vibe Technologies*, the promotion of a mark as a distinguishing sign makes it more likely that consumers will rely upon it as a means of distinguishing the goods.

112. Taking all the evidence into account, I find that the mark had acquired a distinctive character in the required sense, by the relevant date, in relation to chocolate in bar and tablet form.

Chocolate Assortments

113. Chocolate assortments are usually blends of chocolate with other things. I therefore take the evidence of Mr Shaw into account that blends are less associated with Cadbury than chocolate *per se*. I also take into account that:

- i) The evidence indicates a general association between Cadbury and the colour in question, and there is likely to be some spillover effect from the distinctiveness of the colour for chocolate bars to other items of chocolate confectionery;
- ii) Cadbury's best selling chocolate assortment product (Roses) has been sold for many years in a carton that is primarily light blue.
- iii) The claim that Cadbury's long standing Milk Tray product has been sold in a consistently purple box is not entirely supported by the evidence.
- iv) The Cadbury's Heroes product, which is sold in packaging bearing the colour in question, was a relatively new product at the relevant date.
- v) The survey evidence directed at this category of product revealed that the association between Cadbury, purple and chocolate assortments had been blurred to some extent by Cadbury's use of other colours for the packaging of such products.

114. Taking all the above into account, I find that Cadbury has not shown that its use of the colour purple in relation to chocolate assortments had endowed it with the necessary distinctive character by the relevant date.

Chocolate Confectionery

115. Chocolate confectionery covers confectionery consisting of just chocolate itself and also other confectionery products for which chocolate is an important ingredient. In relation to confectionery products which are essentially just chocolate, I remind myself that Cadbury's Buttons (chocolate drops) had been sold in mainly purple packaging for at least 10 years prior to the relevant date and that this product was

amongst the top 20 best selling confectionery products in the UK by 2001/2. I also remind myself that Cadbury's Twirl (fingers of chocolate) had been sold in a purple wrapper for over 15 years prior to the relevant date. There is no evidence of third party uses of purple in relation to directly competitive products, other than Netto's use of a purple wrapper for chocolate drops, and that appears to have resulted in some confusion. Further, as these products are, like the Dairy Milk product, essentially chocolate, it is inevitable that the distinctiveness of the shade of the colour purple in question for chocolate in bar and tablet form will have assisted the colour to gain a distinctive character for these goods too. I therefore find that the colour is distinctive of Cadbury for chocolate *per se*.

116. Turning to chocolate confectionery consisting of a blend of chocolate with other things, I remind myself that:

- i) Mr Shaw's evidence about his research for Cadbury in 2002 indicated that blends of chocolate with other ingredients were less associated with Cadbury's "symbolism", even where some of the packaging was purple.
- ii) 'Chocolate confectionery' is a relatively broad term and there is little particularisation in Cadbury's evidence between the extent of its use of the colour in relation to all the various individual products which could fall under this description, eg chocolate raisins.
- iii) There is no trade or survey evidence which assists me with the determination of the distinctiveness of the colour for 'chocolate confectionery' at large.

117. I therefore conclude that Cadbury has not shown that the colour had acquired a distinctive character by the relevant date for 'chocolate confectionery' at large.

Cocoa-based beverages, preparations for cocoa-based beverages, chocolate-based beverages, preparations for chocolate-based beverages

118. So far as I can see, there is evidence that Cadbury's licensee has sold drinking chocolate in a purple carton "*since the early 1990s*" and that a similar hot beverage was widely sold through vending machines dressed in the purple in question. By 2007, Cadbury had 55% of the market for drinking chocolate and nearly a third of the market for hot drinks. As Mr Malynicz pointed out, this was three years after the relevant date. However, it is unlikely that such a dominant market position could have been established over such a relatively short period of time. So in this instance the position in 2007 sheds light backwards on the likely position at the relevant date. This is consistent with the evidence of trade press reports in which it was claimed that Cadbury had 40% of the food beverages market in 2004. Drinking chocolate is likely to be perceived as just chocolate in liquid form. So the distinctiveness of the colour purple in question for Cadbury's chocolate bars etc. is liable to affect consumer perception of the use of the same colour for this product too.

119. Set against this is the evidence that Kruger GmbH & Co. have marketed a hot chocolate drink through Lidl supermarkets since 2001 in a jar that Cadbury's witness,

Mr Creighton, thought to be similar to the colour applied for. Further, there is evidence that, after the relevant date, Asda used a similar colour for the lid of the jar used for its own label drinking chocolate, and that Sainsbury also made some use of a similar colour. In my judgment, an average consumer would notice the difference between the colour used by Kruger GmbH & Co. and the colour used by Cadbury. This use would not have prevented the colour used by Cadbury acquiring a distinctive character. The use by Asda and Sainsbury was after the relevant date, and in any event Cadbury disputes that the colour used by Sainsbury is similar to the colour at issue or that it is the predominant colour on the jar.

120. I remind myself that 69% of the respondents in survey 4 held in 2007 associated a plain purple jar of the type used for drinking chocolate with Cadbury even before they were asked any questions about colour. Again this is after the relevant date, but given the established market share in 2007 and the length of time a purple jar had been used by Cadbury (or with its consent), the position in 2007 is capable of shedding light backwards on the probable position in 2004.

121. Weighing the evidence in the round, I consider that on the balance of probabilities the colour in question was distinctive of Cadbury at the relevant date in relation to drinking chocolate and preparations for making drinking chocolate.

Chocolate Cakes

122. Despite the volume of evidence filed by Cadbury, I am struck by the relative paucity of evidence about its use of the colour purple in relation to chocolate cakes. Although Mr Creighton states that Cadbury's licensees sold £65m worth of cakes in 2004 and that they have historically used "a significant amount" of purple on their packaging, it is not clear exactly how long the colour has been used, or the extent of the use of the colour prior to the year in which the application was made. There is no evidence from Cadbury's licensees which sheds any light on this. Further, although Ms Watson provides some historical examples of the use of the colour on the packaging for cake products⁶⁴, it is not even clear what proportion of the £65m worth of cakes sold in 2004 were in packaging that was predominantly purple.

123. It is true that survey 3 conducted in 2007 showed a strong association between a purple cake box and Cadbury. Nearly half the respondents associated the box with Cadbury and cited the colour of the box as a reason for doing so in response to non-leading questions. However, because the:

- i) Length of the use of the colour purple for chocolate cakes;
- ii) Extent of such historical use;
- iii) Share of the cakes market in 2004 and 2007;

- are all unclear, it is not possible for the survey in 2007 to shed light backwards on the probable position in 2004. I therefore find that Cadbury has not shown that the mark had acquired a distinctive character for chocolate cakes at the relevant date.

⁶⁴ See HMW16 and 17 to Watson I.

Preliminary Decision

124. I gave the parties a preliminary decision on 20 October and invited them to make submissions on i) an appropriate list of goods and ii) costs. As regards the list of goods, I indicated that I was minded to register the mark for:

Chocolate in bar and tablet form; eating chocolate; drinking chocolate; preparations for making drinking chocolate.

125. Despite my finding that the colour purple at issue was distinctive of Cadbury for chocolate *per se*, I proposed that the second term be restricted to 'eating chocolate' in order to stay within the original list of goods (the original specification did not cover cooking chocolate, other than in bar and tablet form).

126. Cadbury indicated that it was content with this wording.

127. Nestlé objected to it on the following grounds:

- i) Cadbury only used the colour on its milk chocolate products and therefore the term 'chocolate in bar and tablet form' should be limited to 'milk chocolate in bar and tablet form'.
- ii) The finding of distinctiveness was based on Cadbury's use of the colour on only a few products, and apart from Cadbury's Buttons product (chocolate drops), these products are covered by the other terms in the proposed list. Therefore the term 'milk chocolate buttons' should be substituted for the wider term 'eating chocolate'.
- iii) The term 'eating chocolate' is vague and unfamiliar, and therefore legally uncertain.

128. I recognise that plain chocolate, milk chocolate and white chocolate are recognised types of chocolate. And it is true that Cadbury only uses the colour on the milk chocolate products that make up the vast bulk of its business. Further, Cadbury's own witness, Ms Watson, makes the point that the distinctiveness of the colour has been built around products for which milk chocolate is the key ingredient⁶⁵. On the other hand, all types of chocolate share the same basic properties. And I have found that a significant proportion of consumer would expect chocolate sold under the mark to be a Cadbury product. I therefore reject Nestlé's submission on the first point.

129. In reaching my decision about the list of products for which the colour has become distinctive, I have taken into account all the uses of the relevant colour purple shown in the evidence⁶⁶. These include uses of the colour in relation to chocolate in the form of bars, tablets, fingers and drops. Based on these uses, I find that the mark had become distinctive for 'chocolate' and not just for chocolate in

⁶⁵ See paragraph 9 above.

⁶⁶ Including those mentioned at paragraph 13 above.

particular shapes or forms. Consequently, I reject Nestlé's submission on the second point.

130. Everyone knows what chocolate is, and we are all familiar with the meaning of the word 'eating'. Further the term 'cooking chocolate' is well understood. I cannot therefore understand why the meaning of 'eating chocolate' should be unclear, even if it is unfamiliar. I therefore reject Nestlé's third point.

Final Decision

131. Subject to a successful appeal, the mark will therefore be registered for:

Chocolate in bar and tablet form; chocolate for eating; drinking chocolate; preparations for making drinking chocolate.

Costs

132. Both sides have achieved a measure of success. I agreed that the parties should be able to make submissions on costs after they had received my preliminary decision. I subsequently received a flurry of written submissions, the last of which was dated 25 November 2011.

133. Nestlé submitted that each side should bear their own costs because:

- i) The 'exotic' nature of the opposed trade mark, the voluminous evidence and the complex legal issues made it inevitable that costs would be high.
- ii) Both parties are multinationals and well able to absorb the costs.
- iii) Both parties have achieved a measure of success. The application was refused for chocolate cakes, chocolate assortments and chocolate confectionery at large, and a good deal of the evidence went to the distinctiveness of the mark for these goods.

134. Cadbury asked for an order requiring Nestlé to compensate it for 80% of its costs because:

- i) It was wholly successful on four out of the five objections raised by Nestlé, was partly successful on the fifth (lack of distinctiveness) objection, and a sixth ground was withdrawn at the hearing.
- ii) The opposition was unusually important and complex.
- iii) Nestlé acted unreasonably.

135. The unreasonable behaviour is particularised as follows:

- i) The opposition was partly based on grounds that were weak, such as the objections under s.3(1)(c) and (d) and s.3(6) of the Act.

- ii) The opponent amended its grounds of opposition and added weak grounds to the original grounds.
- iii) Nestlé sought and obtained disclosure, the result of which was the production of two lever arch files worth of documents held by third parties. Cadbury first obtained and then copied these documents at significant expense. However, Nestlé subsequently placed no reliance upon the documents or paid for the copying charges.
- iv) Nestlé sought further information from Cadbury about David Minto, John Bowden and John Newman, who had all given evidence in earlier unrelated proceedings (but upon whose evidence Cadbury wished to rely in these proceedings) and sought hearsay notices. Given that the Tribunal's Work Manual says that evidence can be adopted from earlier proceedings, it is said that none of this was necessary.
- v) Nestlé sought to cross examine a fourth person, Miriam Doherty, who had given evidence in the same earlier unrelated proceedings (and upon whose evidence Cadbury again wished to rely in these proceedings) and who had made a further statement for these proceedings. Permission to cross examine this witness was refused because her evidence was likely to be of very little or no weight. This request was unnecessary because it was always a matter of the weight to be given to her (opinion) evidence.
- vi) Nestlé's evidence included lists of numerous third party chocolate products in purple packaging on which it intended to rely. These products were not numbered or categorised. Cadbury therefore had to spend a large sum of money undertaking this categorisation exercise, including identifying the dates on which the various products first entered the market. This was compounded by the large number of products initially relied upon by Nestlé (92). Subsequent investigation revealed that only 6 of these products were available at the relevant date in 2004, and by the hearing Nestlé was focussing its case on only these 6 and an additional 32 products which first became available after the relevant date.
- vii) Further, not only was the original packaging for all these products not provided to the applicant, a copy was not retained by the opponent either. This meant that Cadbury's representatives and witnesses had to make four visits to the IPO in order to inspect the originals, which increased Cadbury's costs. Nestlé should have been aware of the difficulty that this would cause because Cadbury had not provided Nestlé with the original packaging exhibited to one of its witness statements and Nestlé had had to ask Cadbury for copies (which Cadbury answered by inviting Nestlé to first review the original versions at its premises).

- viii) Nestlé engaged Cadbury in needless correspondence about extensions of time in which to file its own public survey evidence, which in the end it did not produce.
- ix) Despite the fact that Cadbury had provided voluntary disclosure to Nestlé, Nestlé refused to make voluntary disclosure to Cadbury. Therefore unnecessary expense was incurred pursuing disclosure, including making an appropriate request to the Tribunal. According to Cadbury's assessment, 30% of the costs spent on this should be recovered from Nestlé reflecting the proportion of the requested disclosure that I subsequently ordered Nestlé to provide to Cadbury.
- x) Nestlé insisted that it was necessary for the entirety of the evidence that had been filed in the opposition to be made available for the witnesses to be cross examined, whilst indicating that it did not have the resources to do this, despite the Tribunal's indication that it was for the party requesting cross examination [Nestlé] to produce bundles for the witnesses. Cadbury was "*therefore left with no alternative*" but to produce a full set of the evidence for the use of the witnesses, even though only a small proportion of it was relevant to each witness. This wasted costs.
- xi) Nestlé inappropriately pursued two 'bad faith' objections, one of which was only dropped at the hearing⁶⁷, despite earlier indications to Cadbury that it was still being pursued, and the other was dismissed because there was no *prima facie* case to answer⁶⁸.

136. Cadbury therefore asks for an award of 80% of its costs of £450,593.

137. The Registrar normally awards costs on a contribution basis within the limits set out in the published scale. The latest version of the scale is included in Tribunal Practice Notice 4/2007. However, as this Notice indicates, the Registrar has the power to award reasonable costs on a different basis where the circumstances justify it. The courts have long recognised this: see *Rizla Ltd's Application [1993] RPC 365*. I do not consider that the importance and complexity of the case is sufficient reason to depart from the usual approach to costs. However, the Practice Notice recognises that unreasonable behaviour may justify costs on a compensatory basis.

138. I do not think that points (iv), (v), (viii), (ix) reveal any unreasonable behaviour on Nestlé's part. The evidence of David Minto, John Bowden, John Newman and Miriam Doherty was of no weight, or virtually no weight, but it was Cadbury that sought to rely on it in these proceedings. In these circumstances, Nestlé was entitled to ask for more information and, in one case, cross examination. Similarly, Nestlé was entitled to seek more time to file its own survey evidence. The fact that Nestlé did not ultimately file such evidence does not mean that the requests for time to do so were unreasonable. Similarly, Nestlé was entitled to resist Cadbury's request for disclosure. The fact the request was only 30% successful shows why. If Cadbury

⁶⁷ See paragraphs 4(vi) & 89 above.

⁶⁸ See paragraph 96 above.

had also sought the tribunal's directions before complying with Nestlé's request for disclosure, some of the costs associated with (iii) above may have been avoided.

139. Some of Nestlé's grounds may have been weak, but they were not frivolous or vexatious. The bad faith ground dropped at the hearing should have been dropped earlier. However, I am reluctant to characterise this as unreasonable behaviour because doing so will simply encourage parties to pursue weak grounds to the bitter end. So I do not think that there is anything in points (i), (ii) or (ix) which justifies an award of costs on the grounds of unreasonable behaviour.

140. It is true that much of Nestlé's evidence related to third party uses of purple after the relevant date. This was of limited relevance, but was not irrelevant. This is because it is possible for events after the relevant date to show what the likely position was at the relevant date. Nestlé could clearly have done a better job of categorising the products it relied upon and placing their introduction into the market in a timescale with proximity to the relevant date. However, the burden to show that the evidence was relevant rested on the party seeking to rely on that evidence - Nestlé. Cadbury chose to prove a negative and thereby transferred onto itself some of the costs that should have fallen on Nestlé. I do not consider that Nestlé's behaviour as at point (vi) above was unreasonable, particularly given the difficulty of establishing the market position 5/6 years earlier.

141. Similarly, in circumstances where the tribunal had directed that Nestlé provide bundles for the witnesses, Cadbury was too quick to step into Nestlé's shoes and provide the bundles itself as per point (x) above. If there was non-compliance with the directions, the matter should have been raised with the tribunal. It was not. Given the relatively modest amounts involved, it would be disproportionate to examine Nestlé's behaviour in this respect in more detail at this stage in the proceedings.

142. Finally, as regards point (vii) above, the difficulty of inspecting the original packaging of the products relied upon by Nestlé is a consequence of the unusual nature of the trade mark at issue. It also shows that the usual rules about exchanging evidence do not work well where pure colour marks are concerned. Both sides evidently had trouble delivering exhibits consisting of original packaging to the other. Undoubtedly, Cadbury handled matters better. But I do not consider that Nestlé acted unreasonably.

143. I recognise that Cadbury's case is that these points are cumulative and together indicate a desire by Nestlé to maximise Cadbury's costs whilst minimising its own. However, I do not think that the first part of that claim is made out. I will therefore award costs on the usual basis.

144. I consider that in terms of the grounds and goods for which the opposition succeeded/failed, Cadbury was 75% successful. I therefore order Société des Produits Nestlé S.A. to pay Cadbury Limited the sum of £6450. This is made up of:

£450 as a contribution towards the cost of considering the notice of opposition and filing a defence;

£3000 as a contribution towards the cost of preparing evidence and considering Nestlé's evidence;

£2250 as a contribution towards the cost of the hearing;

£750 towards the cost of Cadbury's two external witnesses and one internal witness attending the hearing for cross examination.

145. These amounts are based on 75% of a full award at the top of the published scale, taking account of the flexibility in the practice to award costs for filing and considering evidence above the usual range in "exceptionally large cases", of which this is undoubtedly one.

146. The above sum to be paid within 14 days of the end of the period allowed for appeal.

Dated this 2nd Day of December 2011

**Allan James
For the Registrar**

ANNEX A

Applicant's evidence

1. Heidi Michelle Watson with exhibits HMW1 – HMW29 (11 April 2006)
2. Heidi Michelle Watson with exhibit HMW1 (16 December 2009)

1. Alan Francis Palmer with exhibits AFP1 – AFP2 (7 June 1996)
2. Alan Francis Palmer with exhibits AFP1 – AFP12 (3 November 1997)

John Barter with exhibits JB1 – JB4 (31 July 1997)

1. Timothy Richard Burns with exhibits TRB1 – TRB10 (22 January 2008)
2. Timothy Richard Burns with exhibit TRB1 (17 December 2009)

1. Peter Creighton with exhibit 1 (3 April 2006)
2. Peter Creighton with exhibits PC2 – PC3 (16 February 2007)
3. Peter Creighton with exhibits PC1 – PC19 (23 December 2009)
4. Peter Creighton with exhibit PC20 (24 May 2011)
5. Peter Creighton with exhibit PC21 (25 July 2011)

Richard Shaw with exhibit 1 (13 January 2006)

1. Miriam Doherty with exhibits MD1 - MD2 (20 February 1996)
2. Miriam Doherty with exhibit MD1(5 May 2010)

John Brian Bowden with exhibits JBB1 – JBB2 (3 March 1997)

David George Minto (9 May 1996)

John Easter Newman with exhibits JEN1 – JEN2 (13 November 1996)

Opponent's evidence

1. Stephen Richard James with exhibits SRJ1 – SRJ10 (8 April 2009)
2. Stephen Richard James with exhibits SRJ11 – SRJ29 (6 September 2010)

1. Joanne Marie Ling with exhibits JML1 – JML7 (8 April 2009)
2. Joanne Marie Ling with exhibits JML8 – JML20 (6 September 2010)
3. Joanne Marie Ling with exhibit JML21 (8 November 2010)

Lindsay Rae Thomas with exhibits LRT1 – LRT6 (7 April 2009)

Leonie Jane Boone with exhibits LJB1 – LJB5 (7 April 2009)

Felicity Jane Rollings with exhibits FJR1 – FJR 9 (17 April 2009)