

O-391-12

TRADE MARKS ACT 1994

IN THE MATTER OF

Registration No. 2308620

In the name of Jocelyn Charles Lally for the trade mark SUSHI

and

IN THE MATTER OF

an application for a declaration of invalidity thereto

under No. 83898 by Rovacos S.A.

DECISION

Introduction

1. This is an appeal against the Decision of Mr Edward Smith for the Registrar dated 31 August 2011 whereby he rejected the opposition brought by Rovacos S.A. to registration of the word mark SUSHI in the name of Jocelyn Charles Lally (“the Proprietor”) in respect of:

“Class 30

Chocolates; boxes of chocolates; bars of chocolate; chocolate confectionary.”

2. The nub of the objection to registration is that there was a well-established practice of making chocolate sushi, just as there is a well-established practice of making chocolate eggs or bunnies and that SUSHI is no more registrable in respect of chocolate than EGG would be, since both are descriptive of a kind of chocolate. The objection is

made under sections 3(1)(b), 3(1)(c) and 3(1)(d) of the Trade Marks Act 1994 (“the Act”). Rovacos’ concern is that, if the mark remains registered there is a risk that it would be enforced against traders, including Rovacos who use the word “sushi” in relation to confectionary products which imitate the appearance of sushi, which has become one way of making novelty chocolates in recent years. Rovacos says that it is inappropriate that traders should be obliged to rely only on the defence under s.11 of the Act of descriptive use and that the registration should be invalidated.

The Decision

3. The Hearing Officer reviewed the brief evidence, which principally related to the extent to which there was a practice of making chocolates resemble sushi (the well known Japanese raw fish/vegetable products) and he focussed particularly on what that evidence showed at the date of application for the mark in 2002.

4. The Hearing Officer dealt first with the objection under s.3(1)(c) of the Act. That section provides that a mark shall not be registered, inter alia, if it consists exclusively of a sign or indication which may serve in trade to designate the kind or quality of the goods for which it is proposed to be registered. The Hearing Officer, referred to the key principles derived from the main CJEU cases (in particular, Case C-191/01P *Doublemint* and Case C-421/04 *Matrazen Concord*). He formulated the test as “*whether the word “sushi”, about which there is no dispute as to its traditional meaning, is, or was in 2002, capable of “designating a characteristic” of the products for which it is registered.*” He gave “70% cocoa” as a paradigm example of such a description in the case of chocolate.

5. The Hearing Officer observed that sushi was entirely unrelated on the face of it to chocolate and chocolate products as are their ingredients. He went on to refer to the Trade Mark Manual guidance which suggests, among other things, that FISH would not be registrable for soap because the mark describes the shape of the soap. He also referred to the much-followed guidance from the Opinion of Advocate General Jacobs in the *New Born Baby* case (C-498/01P) to the effect that where an essential characteristic of a

product is to represent something else, a term consisting exclusively of elements which designate that something else may not be registered as a trade mark.

6. In the Hearing Officer's view, he had to decide whether, in 2002, it was likely that the average consumer (including the trade as well as the general public) would have perceived the word "sushi" as designating a characteristic of chocolate and chocolate products (including that such use as a designator was foreseeable).

7. The Hearing Officer considered the evidence submitted in detail and concluded that the evidence, taken as a whole, was not sufficiently probative of the position in 2002. He referred to the fact that only one of the uses of "Sushi" in relation to chocolate dated back as far as that and that this was both in the US and was claimed to be trade mark use. He doubted whether, on the evidence, the average chocolate consumer in the UK was aware of a product that could naturally be described as "chocolate sushi".

8. While the Hearing Officer took judicial notice of the fact that confectioners manufacture products in shapes such as bunnies, eggs animals and so forth, he struggled to treat "sushi" as part of that list. He referred to the surprising juxtaposition of chocolate food products and the term "sushi" ordinarily denoting complex rice and fish vegetable products of varied appearance.

9. Having regard to the evidence of the position in 2002, the Hearing Officer found that the grounds of objection under 3(1)(c) were not made out and that the grounds of objection under sections 3(1)(b) essentially went with this finding.

Grounds of Appeal

10. I deal with Rovacos' criticisms of the Decision in turn, summarising them for convenience (and noting that Rovacos does not pursue its appeal in respect of section 3(1)(d)). In evaluating Rovacos' arguments on this appeal, I also bear in mind that this

appeal is a review of the Hearing Officer's Decision. Robert Walker LJ (as he then was) said of such appeals:

"...an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance to interfere in the absence of a distinct and material error of principle" (*Reef Trade Mark* [2003] RPC 5 at [28]; see also *BUD Trade Mark* [2003] RPC 25).

1. Assessment of evidence

11. First, Rovacos contends that the Hearing Officer failed to give proper weight to the practice in the confectionary trade of producing novelty items which imitate the appearance of various things with the result that he wrongly assessed the reaction of the average consumer to the word "sushi" used for chocolate. It says that the average consumer would expect such a term to describe the appearance of the confectionary items and not to have any trade mark connotation.

12. Rovacos says, in this connection, that the criticisms of the evidence made by the Hearing Officer were unfair, given the difficulties in obtaining evidence as to trade practice and consumer reaction at the date of application for the mark in 2002. More generally, Rovacos also says that it is at something of a disadvantage in obtaining evidence of practice in the confectionary trade nine years after the event and that the Hearing Officer should have viewed the evidence more generously as a result. It contends that the Hearing Officer should not have rejected evidence of use from outside the UK or attributed significance to the fact that some of the evidence showed that the users of the word sushi attributed trade mark significance to it rather than using it descriptively. Rovacos contends that the Hearing Officer should have found that the concept of chocolate made in the shape of sushi had become known in the UK before 2002.

13. I am not persuaded by these criticisms. The burden of showing that the mark is not distinctive as a result of a practice in the trade of descriptive use lies on the applicant for invalidation and, in my judgment, the Hearing Officer was entitled to come to the view he did that the evidence of a practice of making and selling sushi shaped chocolate

in the United Kingdom in 2002 was insufficient to establish this in this case. The Hearing Officer made a detailed review of the evidence in paragraphs 7-19 of the Decision and made findings in relation to it in paragraphs 28-37 of the Decision. Having reviewed the evidence myself, I consider that the Hearing Officer's overall assessment as to the position in 2002, on the evidence presented was not unfair. I regard it as of some significance that even in 2007, one of the search entries says "Check out this strange combination of Sushi styling but chocolate (and other sweet) tastes." This supports the contention of the proprietor that in 2002, making chocolate in the form of sushi was unusual and that "sushi" would not have been expected to be a description of a kind of chocolate by the average consumer.

2. Legal test

14. Second, Rovacos contends in its ground of appeal that the Registrar applied the wrong test in law in considering that it was sufficient that there was a possibility that the mark could be used distinctively.

17. Rovacos stresses out that the test is whether the sign in question "may" serve to designate characteristics of the goods. It says, with support from the EU case law, that the principle is that a monopoly should not be given for words which are descriptive of the characteristics of goods or services supplied because and that such marks are not inherently distinctive of the user's goods or services: as a matter of policy, they should be available for all to use.

15. In *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99) (POSTKANTOOR) [2006] Ch 1, the ECJ explained the policy at [54] - [56]:

54 As the court has already held (the Windsurfing Chiemsee case [2000] Ch 523, 551, para 25; *Linde AG v Deutsches Patent- und Markenamt* (Joined Cases C-53-55/01) [2003] ECR I-3161, 3202, para 73, and *Libertel Groep BV v Benelux-Merkenbureau* (Case C-104/01) [2004] Ch 83, 91, para 52), article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely, that such signs or indications may be freely used by all. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.

55 That public interest requires that all signs or indications which may serve to designate characteristics of the goods or services in respect of which registration is sought remain freely available to all undertakings in order that they may use them when describing the same characteristics of their own goods. Therefore, marks consisting exclusively of such signs or indications are not eligible for registration unless article 3(3) of the Directive applies.

56 In those circumstances, the competent authority must, under article 3(1)(c) of the Directive, determine whether a trade mark for which registration is sought currently represents, in the mind of the relevant class of persons, a description of the characteristics of the goods or services concerned or whether it is reasonable to assume that that might be the case in the future: see to that effect the *Windsurfing Chiemsee* case, para 31. If, at the end of that assessment, the competent authority reaches the conclusion that that is the case, it must refuse, on the basis of that provision, to register the mark.

16. Rovacos makes the further point, which is also reflected in the authorities, that it is sufficient to preclude registration if one of the possible meanings is descriptive of characteristics of the goods or services in question. For example, in *Golf USA Inc v OHIM*, case T-230/05, the CFI said at [30]:

....an indication must be regarded as descriptive if at least one of its possible meanings may serve to designate the goods or services concerned...

Application of the test to this case

17. This case presents an instance of a general problem in trade mark law resulting from the fact that certain kinds of products (as described in typical specifications of goods) may have a variety of forms. This is reflected in the examples given in the Trade Mark Registry Work Manual including FISH being unregistrable for soap (because it may take the form of a fish) and DAFFODIL being unregistrable for chinaware (because it may be decorated with daffodils). The vice that the law is seeking to address here is the registration of marks which are likely to be used descriptively of the goods or services in question in such a way as to prevent or hinder other traders from using such descriptions of their goods. However, in my view, the case law does not go so far as to suggest that registration should be prevented of signs which are not naturally or normally descriptive of the goods or services (because the goods or services do not usually have the characteristic that the term describes) but where there is a possibility that traders may

wish to use them because they may wish to make goods which (unusually) possess those particular characteristics. To take the example in the Work Manual, DAFFODIL is a term which is not particularly likely to be descriptive of chocolate goods, although one cannot rule out the possibility that chocolates might be made in the shape of a daffodil. Similarly, the fact that it is possible to obtain moulds in the shape of the Eifel Tower for making chocolate or cake, does not, it seems to me, make the term “EIFEL TOWER” descriptive of a characteristic of chocolate or cake as such. Descriptiveness is not a black and white issue. At one end of the scale there are terms such as “70% cocoa” (the example given in the Decision), “egg” or “bunny” which are very likely to be required as a description and are unregistrable. At the other end of the scale, there are terms such as “hammer” which are registrable despite the fact that inventive chocolatiers may wish to provide an collection of chocolate tools. The real question in this case is whether “sushi” is more akin to “70% cocoa” or “hammer”.

18. In my judgment, the law required the Hearing Officer to determine whether, at the date of application, sushi shaped chocolate was sufficiently well established as a kind of chocolate that the average consumer would assume that, where the word SUSHI appeared in relation to chocolate, that was denoting a characteristic of the chocolate, just as “egg” or “bunny” would. He was not bound to hold that the possibility that chocolate may be made and sold in the United Kingdom in the shape of sushi meant that the term SUSHI was not properly distinctive of chocolate for the purpose of section 3(1)(b) or was descriptive of the chocolate for the purpose of section 3(1)(c). In my view, he was right, in this case, to approach the question predominantly from the perspective of the average consumer as part of the general public and consider whether such a person would, as a result of what they knew about the market, consider that sushi was likely to be a description of the chocolate goods, although, in some cases, it would be more appropriate to consider the perspective of the trade because the description in question may be well known to those in the trade but unknown to the average consumer before the term was used.

19. The Hearing Officer made the required evaluation in paragraphs 28 to 37 of the Decision and I have been unable to detect any material error of principle in his approach, having regard to the authorities he referred to, the additional authorities mentioned above and to the *REEF* principles. I also consider that his analysis was equally applicable in this case to the arguments under section 3(1)(b) and that if the case could not succeed under 3(1)(c), it could not succeed under section 3(1)(b) either.

20. I am therefore unable to accept the criticism of the Decision that the Hearing Officer applied the wrong legal test.

3. Limitation to specification

21. Third, Rovacos contends that the Hearing Officer erred in concluding that he would have to be satisfied that the claim could be made in respect of all of the goods in the specification and that it was open to the Registrar to invalidate the Respondent's mark only to the extent that it covered chocolate in the shape of sushi.

22. In the light of Rovacos' skeleton argument, this has become the central point in the case because, on this appeal, Rovacos confines its objection to registration of the mark to chocolate products which take the form of items of Japanese sushi cuisine. This is because Rovacos wishes to have certainty that the mark will not be useable by the proprietor to try to prevent the use of the word "sushi" in respect of chocolate confectionary products which imitate the appearance of items of sushi.

23. It is open to an appellate tribunal to consider a narrower specification upon appeal for the first time but in this case, in its written submissions of 21 July 2011, the applicant for revocation specifically requested consideration of a negative exclusion, removing from the scope of the specification items of confectionary in the form of Japanese sushi and similar goods referring to *POSTKANTOOR*. The Hearing Officer did not address the issue of whether the specification should be limited in the manner proposed by Rovacos and did not take up Rovacos' request for the Registrar's guidance to assist it in achieving a more limited scope of registration.

24. However, Rovacos' written submissions before the Hearing Officer implicitly recognised that amending the scope of the registration in the manner suggested may not be straightforward. In my judgment, they were right to do so. In *POSTKANTOOR*, the ECJ said at [111] to [117]:

111. The Nice Agreement divides goods and services into classes in order to facilitate the registration of trademarks. Each class brings together various goods or services.

112. Although an undertaking may apply for registration of a mark in respect of all the goods or services falling within such a class, nothing in the Directive prohibits it from seeking registration solely in respect of only some of those goods or services.

113. Likewise, when registration of a mark is sought in respect of an entire class within the Nice Agreement, the competent authority may, pursuant to Article 13 of the Directive, register the mark only in respect of some of the goods or services belonging to that class, if, for example, the mark is devoid of any distinctive character in relation to other goods or services mentioned in the application.

114. By contrast, where registration is applied for in respect of particular goods or services, it cannot be permitted that the competent authority registers the mark only in so far as the goods or services concerned do not possess a particular characteristic.

115. Such a practice would lead to legal uncertainty as to the extent of the protection afforded by the mark. Third parties - particularly competitors - would not, as a general rule, be aware that for given goods or services the protection conferred by the mark did not extend to those products or services having a particular characteristic, and they might thus be led to refrain from using the signs or indications of which the mark consists and which are descriptive of that characteristic for the purpose of describing their own goods.

116. Since the Directive precludes such a practice, there is no need to examine the request for an interpretation of the Paris Convention.

117. In those circumstances, the answer to the eighth question must be that the Directive prevents a trademark registration authority from registering a mark for certain goods or services on condition that they do not possess a particular characteristic.

25. On this appeal Rovacos requests, in effect, that the registration is upheld but with a condition that that the chocolate goods in respect of which it is registered do not possess

the characteristic of taking the form of Japanese sushi cuisine. In my judgment, it would not be appropriate, in the light of the *POSTKANTOOR* case, to make an order to that effect for the reasons given in that case. It would not be right to permit registration of the mark for certain goods or service on condition that they do not possess this characteristic. Even were it right to do so in principle, there would be real difficulties in formulating a sufficiently precise description for the purpose of such an exclusion because, unlike the shape of the Eifel Tower, there is no single unique form which Japanese sushi must take, although there are well-recognised typical forms.

26. Rovacos' arguments on this appeal do not therefore persuade me that the Hearing Officer fell into error in reaching the conclusion he did.

Section 11 of the Act

27. Rovacos has been clear that its only purpose in challenging this registration is to prevent the proprietor from using the mark to prevent proper and honest descriptive use of the term sushi in respect of sushi-shaped chocolate. There is certainly merit in Rovacos' point that it should not be troubled by a claim or threat of a claim for trade mark infringement in respect of such use. Refusal of registration is the first line of defence to prevent a proprietor from unjustifiably chilling the use of descriptive terms.

28. This seems, however, to be a case in which, provided Rovacos is genuinely using the term "sushi" descriptively of sushi-shaped chocolate (of which one example would be use as part of the composite phrase "chocolate sushi") in respect of chocolates that could properly be so described, they have nothing to fear from this trade mark. I cannot determine whether that is the case on this appeal but nothing in this decision should suggest that the proprietor could use the mark to prevent or restrict uses of that kind. An attempt to rely on the mark to prevent genuinely descriptive use would be prohibited by section 11 of the Act.

Overall conclusion

29. For the above reasons, this appeal is dismissed.

Costs

30. The proprietor's submissions on this appeal were brief and, in all the circumstances, inter alia, having regard to the scale of costs, the Hearing Officer's decision on costs will stand and I will additionally order that Rovacos pays the proprietor the further sum of £300 in respect of the costs of this appeal.

DANIEL ALEXANDER QC

Appointed Person

4 September 2012

Representation

Williams Powell appeared for the applicant for revocation, Rovacos SA

Alpha & Omega appeared for the proprietor, Jocelyn Charles Lally