

TRADE MARKS ACT 1994

**IN THE MATTER OF Application N°: 2136742
by Energiser Limited
to register a Trade Mark and**

**IN THE MATTER OF Opposition N°: 48194
by NV Duracell Batteries SA and Duracell Batteries Limited.**

1. On 24th June 1997 Energizer Limited, 93 Burleigh Gardens, Southgate, London, N14 5AQ Great Britain applied to register the series of trade marks:



For the following goods:

Class 9: 'Batteries; rechargeable batteries; watch batteries; camcorder battery packs battery charger; plugs; fuses; electric extension leads; electric cable drum extension leads; electric trailing sockets; sockets; travel adaptors; timers; and smoke alarms'.

Class 11: 'Lights; torches; hand lamps; flashlights; bicycle lights; parts, fittings and accessories for the aforesaid goods; bulbs; fluorescent tubes'.

The marks are not limited to a colour scheme, but one of them was submitted in black, yellow, red and white (see ANNEX).

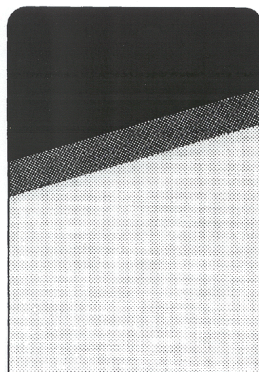
2. The opponents are NV Duracell Batteries SA and Duracell Batteries Limited and their grounds for objection were given as under ss. 3(3)(b), 3(4) and 3(6), and under ss. 5(2) and s 5(4) of the Act.
3. A Counter Statement was provided by the applicants, in which the grounds of opposition are denied. Both parties ask for costs to be awarded in their favour.
4. The matter came to be heard on 30th April 2001, with Ms Denise McFarland, instructed by Messrs. Page White & Farrer, representing the applicants. The opponents were represented by Mr Morcom QC, instructed by Bristows.

5. These proceedings parallel application N° 2115675, opposition N° 48176, where the following series of marks are applied for:



The first and second versions of the marks are limited to the colours red, black, white and yellow.

6. The opponents are the proprietors of two registrations of the following device mark:



Which is limited to the colour combination of black, red and yellow orange. The registrations are:

Number	Date	Goods
1431551	11 th June 1990	Batteries; primary and secondary cells and batteries; accumulators; battery chargers; electric coils, parts and fittings for all the aforesaid goods; all included in Class 9.
1431552	11 th June 1990	Apparatus and instruments, all for lighting and heating; torches; lighting installations; parts and fittings for all the aforesaid goods; all included in Class 11.

7. The nature of the reputation the opponents possess is important for both s. 5(2)(b) and for s. 5(4). I therefore wish to analyse this in some detail.
8. The opponents main evidence is provided by Christopher Mitchell Williams, a Deputy Legal Director employed by Gillette Management Inc. The opponents (who I'll call Duracell) are both members of the Gillette Group of Companies, whose ultimate parent is The Gillette Company of Boston. Mr Williams contends:

'There are at least two important elements to the get-up of Duracell products. First, the batteries themselves are coloured black and copper. Second, but equally important, the packaging used by Duracell for their batteries and torches is coloured black and yellow/orange'

He indicates that he is justified in calling Duracell's packaging colours as yellow/orange because they have used various shades of yellow and orange on their packaging for a number of decades and members of the public variously describe their colour scheme as yellow or orange. His proof of these contentions I consider below. But I wish to acknowledge here - and I do not think that the applicants disputed this for one minute - the very great sales of the opponents' product, both in the UK and elsewhere. They are the world's leading manufacturer of high-performance alkaline batteries. Exhibit CMW-8 encloses a 1996 copy of 'The World's Greatest Brands'. This says that DURACELL is the second most famous household brand in the world and:

'Duracell has taken over from Ever Ready as the world's best known battery brand. The rapid speed of its triumph was due almost entirely to its powerful promotion of alkaline long-life batteries, when its competitors were sitting on their laurels as market leaders, churning out the weaker zinc carbon product. Rarely have so many great names, like Eveready in the USA and BERECE/Every Ready in the UK been humbled so quickly and so convincingly'.

This 'powerful promotion' is evident from the figures Exhibited in the confidential Exhibit CMW-11, which are given over the period 1993 to 1994, and are very considerable.

9. Great sales and very significant promotion there has been, but one must be careful not to elide or confuse the character of the reputation that has, clearly, been engendered. For example, it is the DURACELL *name* that is identified as that of a world brand in Exhibit CMW-8 Whether the reputation that mark enjoys extends to its 'get-up' returns me to Mr Williams' assertions, as stated by above.

'Yellow/orange'?

10. A number of exhibits are referred too. Colour examples are given in Exhibits CMW-3, CMW-4 and CMW-5, covering over 20 years of marketing. Much of this material is either outwith the UK, or not specific to it. However, in terms of the nature of the promotion undertaken, I am not sure that in the opponents' case this matters, as it is very clear that they have had, for many years, one worldwide marketing strategy. This is indicated in Exhibit CMW-5, a 1994 annual report, entitled 'One World, One Brand'. Though I note that Duracell use other marks in Germany, Italy and Scandinavia, their general approach is described in that Exhibit as follows:

‘ “One Brand” because Duracell’s approach to marketing DURACELL brand batteries is the same whether the city is Shanghai or Stockholm. Consumers know and prefer DURACELL batteries because the brand stands for long life a life and good value. And whether its’s the copper and black trade dress, the distinctive packaging, or the advertising message that consumers see on television, Duracell’s strategy is the same the world over and the fundamental qualities of the DURACELL brand translate into every language.’

It is also clear from this extract where the opponents, in 1994, believed their distinctiveness lay - in the DURACELL name, certainly, but also in ‘..the copper and black trade dress, the distinctive packaging..’.

11. And the nature of this distinctive packaging is also clear in that exhibit, and in Exhibit CMW-7, where there are three examples of products sold in the UK. The one I have included in the ANNEX (that of a pocket torch, with two batteries) contains the most yellow colour, but I think it is fair to say that all three - the others being rechargeable camcorder battery and a four pack of AA ‘PowerCheck’ batteries - all include very similar variations on a theme. And what is my first impression of this?
12. In my view the colours used are a predominant orange which covers ¾’s of the lower surface of the item; this fades into a relatively thin red band, angled upwards from left to right, fading again into black at the top. The colour yellow is used, but only to outline the product, in illustrations on use and in labelling. There is less use of this colour in the other products. However, it seems to me that there is more ‘yellow’ in the orange used in the large Exhibit CMW-13 (but compare CMW-14). This fades into a definite yellow before turning to red in the way aforementioned.
13. Mr Williams refers to Exhibit CMW-9, and to various photographs of forms of packaging used by Duracell in the UK since about 1990. He says:

‘It can be seen from this exhibit that although the precise design of the packaging has evolved during recent years, the packaging has always been coloured black with shades of yellow or orange’.

Perhaps the photograph labelled ‘1’ contains the most ‘yellow’ looking examples. But even this, in my view, is more orange than yellow. I might describe it as a ‘orange-custard’ colour.

14. Mr Williams refers to a selection of promotion in Exhibit CMW-12. The colour yellow is featured heavily in some of these documents, but some of this is after the relevant date and, in my view, the get up is similar to that above: clearly orange, or ‘orange-custard’.
15. Exhibit CMW-15 contains an extract from ‘Superbrand’, a review of the UK’s strongest brands. This document states that ‘Duracell is well established as the UK’s number one battery brand’. One in three batteries sold in the UK is a ‘Duracell’. The success of the brand rests on promotion of long life. I note the following:

C ‘Since its launch in the UK, Duracell has consistently portrayed itself as “the longer lasting battery”. It is this single minded proposition which features in every Duracell advertisement, and despite the wide and varied content of its advertising, the overall message has remained unchanged. Moreover, this message has been received loud

and clear. Independent market research (from Millward Brown) shows that 79% of people consider Duracell to be the “longest lasting battery” ’.

- C ‘1994 saw Duracell battery packaging moving away from blisters to an all card pack which dramatically improved the display and branding of the product’. This is the form of packaging described above.
- C ‘There is no doubt that Duracell’s single minded selling message - “no ordinary battery looks like it or lasts like it” - has been clearly understood by consumers. This consistent success is a key part of Duracell’s Superbrand status’
- C ‘..Duracell now accounts for 30% of all batteries sold, and its instantly recognisable black and copper colours fly the battery flag in shops up and down the country’.

There is no doubt that heavy promotion of quality has been instrumental in the opponents’ vast sales. The goodwill generated resides, primarily, in battery products and, in my view, the indicia of this very significant goodwill rests in the name DURACELL first and foremost, the trade dress of the battery next (which has remained unchanged) and, to a lesser extent, the packaging. Exhibit CMW-15, does not identify the ‘get-up’ of the latter as having any influence at all on the opponents’ success. The only mention is about the *form* of the products, i.e its physical design, which has ‘..dramatically improved the display and branding of the product’, i.e. the batteries, in their distinctive copper and black. Of course, the trade dress of the opponents’ packaging is very well known to the battery consuming public; but this evidence suggests that the opponents’ name, and the battery colour scheme, are its most recognisable features.

Public Recognition

16. Mr Williams refers to the Statutory Declaration of Mr Philip Malivoire who, without going into detail, is an experienced employee of the NOP Research Group. In 1997 Mr Malivoire was commissioned to carry out a survey in relation to the application in this proceedings and that in the parallel opposition N^o 48176. He states:

‘It can be seen that each of the Trade Mark Applications consists of.

- (a) the words “Eveready Ultra Plus”;
- (b) an “Eveready” logo (in the case of Application No. 2115675), or a “cat” logo (in the case of Application No. 2136742), and
- (c) a black and yellow background’.

Mr Malivoire is imprecise here. First, the EVEREADY logo is included in every example in both series of marks, the ‘cat’ logo only in application N^o 2115675, *not* N^o 2136742, as he says. And, also, the background is not always black and yellow: it is also red and yellow (this applies to the parallel application N^o 2115675: see the ANNEX). However, none of this effects the results of the survey.

17. This presented to the public the applicants' mark in full, from application N° 2115675, in yellow and black (see ANNEX), and the background only. Mr Malivoire records the results of the first survey, that relating to what he calls 'the complete application':

'The results show that out of 112 completed interviews, 66 respondents stated that they did recognise the battery packaging, 37 replied that they did not recognise the battery packaging and 9 respondents stated that, although they did not recognise the packaging as such, they recognised that the pack bore the name "Eveready". Of the 66 respondents who stated that they recognised the packaging, 62 stated that the manufacturer of the batteries sold in the packaging was Eveready. Thus of the respondents who stated that they either did not recognise the packaging but named a manufacturer or recognised the packaging, 71 out of 76 respondents thought the batteries were manufactured by Eveready.

Thus it is fair to say that the representation of the Complete Application produced a high degree of recognition amongst members of the public with 71 respondents out of 112 naming Eveready. Of the 71 respondents, the vast majority, 65 stated that the reason they knew the manufacturer was Eveready was because of the name although 7 of the respondents also mentioned the colour of the packaging as a factor in such recognition.'

18. The 'colour only' survey produced the following response, for the 103 completed interviews:

'..57 respondents did not recognise the packaging represented on the showcard, 45 respondents recognised the packaging and 1 replied that he did not know if he recognised the packaging ...

Of the 46 respondents who were asked "who makes the batteries in this packaging?", 38 named Duracell, whilst only 3 respondents ... named Eveready.

Thus only 3 respondents out of 103 who were shown the coloured packaging were able to name Eveready as the manufacturer of the batteries. ... In contrast, about 13 times as many respondents recognised the colour combination of black and yellow as that of Duracell'.

19. Mr Malivoire came to the following conclusions:

(a) The black and yellow background to the Trade Mark Applications is recognised by a significant section of the battery buying public as Duracell's colours. The second survey suggests that around two fifths of the relevant public recognise the black and yellow colour combination used by the Applicant as that of Duracell. Less than 3% of respondents were able to make any association between the colour combination and the Applicants.

(b) When the black and yellow background is used in combination with the name "Eveready" and the "Eveready" logos, most members of the battery buying public recognise the combination as being that of the Applicants'.

(c) The use of the combination of the black and yellow background in combination with the name "Eveready" and the "Eveready" logos caused a number of respondents in the first survey to make a connection between the Applicants and the black/yellow colours. This could not be detected when respondents were just shown the black/yellow colours in the second survey.

(d) I believe that the above conclusions are equally applicable in respect of each of the Trade Mark Applications. Both Trade Mark Applications use the same black/yellow background. The only difference between the two is the precise form of the “Eveready” logos used.

(e) The aspects of the Trade Mark Applications which signify the origin of the goods are the “Eveready” name and the logos. The black/yellow colour scheme identifies the goods as those of Duracell’.

20. Mr Williams refers to these results, making, *inter alia*, two key points. In the first, he admits ‘.. the only part of the Trade Mark Applications which distinguish the Applicant’s goods from those of Duracell are the various Eveready Logos’. The next, which goes to passing off and to bad faith, is that the ‘..background colours would imply a direct association between the Trade Mark Applications and Duracell’s famous black and yellow/orange get-up and would amount to an attempt to trade off Duracell’s reputation for quality, high performance batteries’. He warms to these themes. First, he says use of the applicants’ trade marks:

‘..would amount to a misrepresentation that the Applicants are connected with Duracell’s colour scheme and therefore with Duracell. This would be particularly confusing to members of the public and damaging to Duracell if the Applicants were to sell low performance batteries (such as Zinc Carbon batteries) using colours which members of the public associate with Duracell’s range of high performance batteries. Such use would inevitably dilute Duracell’s reputation in its black and yellow/orange get-up and would be liable to be prevented by the law of passing off’.

And:

‘It would not surprise me if the Applicants had considered the strong public reaction to Duracell’s black and yellow/orange colours when choosing the colours of the Trade Mark Applications. Indeed, in my experience the public’s association of the colours of the Trade Mark Applications with Duracell would most likely have been addressed in the Applicants’ design brief and market testing. By mimicking Duracell’s colour scheme, the Applicants hope to trade off Duracell’s reputation and claw back the market share that they have lost to Duracell over the last decade or so through fair competition. That being so, I believe that the Applicants have acted in bad faith’.

21. The applicants evidence appeared in one Statutory Declaration by Alpheus E Forsman, the Assistant Secretary of Ralston Purina Company, the ultimate parent of Energizer UK, the applicants. I will refer to this in the course of the decision, as it becomes relevant.

The Decision

22. At the hearing Mr Morcom, rightly in my view, acknowledged that the grounds under ss. 3(3)(b) and 3(4) were ‘non-runners’ and they were dropped. So was the assertion of copyright infringement under s. 5(4)(b), as no evidence had been submitted. That leaves the ss. 5(2), (4) and s. 3(6) grounds. Taking the first of these grounds, I do not believe the marks at issue to be identical, from which it follows that s. 5(2)(b) is applicable, and this was the provision Mr Morcom referred to. It states:

‘(2) A trade mark shall not be registered if because

(a) ... ,

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark’.

The opponents have the earlier marks (s. 6(1)) shown previously (paragraph 6).

23. As stated above, the marks are not limited to a colour scheme, but one of them was submitted in the black, yellow, red and white combination shown in the ANNEX. It was Mr Morcom’s submission that this subsumed normal and fair use, and I agree. This is the example I will consider under s. 5(2)(b). There are a references in recent ECJ case law that are very relevant to this matter; in particular *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] ETM, *Lloyd Schufabrik Meyer & Co GmbH v Klijsen Handel BV* [2000] FSR 77 and *Marca Mode CV v Adidas AG* [2000] ETMR 723.
24. At the Hearing, Mr Morcom referred at some length to *Lloyd*, paragraph 18 onwards, which he said summarised most of the relevant law:

‘.. the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 5(1)(b) of the Directive It follows from the very wording of Article 5(1)(b) that the concept of likelihood of association is not an alternative to that of likelihood of confusion, but serves to define its scope ...

19. According to the same case-law, likelihood of confusion on the part of the public must be appreciated globally, taking into account all factors relevant to the circumstances of the case ...

20. That global assessment implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between the goods or services covered. Accordingly, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and *vice versa*. The interdependence of these factors is expressly mentioned in the tenth recital in the preamble to the Directive, which states that it is indispensable to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the appreciation of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services identified ...

21. Furthermore, the more distinctive the earlier mark, the greater will be the likelihood of confusion .. , and therefore marks with a highly distinctive character, either *per se* or because of the recognition they possess on the market, enjoy broader protection than marks with a less distinctive character

22. It follows that, for the purposes of Article 5(1)(b) of the Directive, there may be a likelihood of confusion, notwithstanding a lesser degree of similarity between the trade marks, where the goods or services covered by them are very similar and the earlier mark is highly distinctive

26. In addition, the global appreciation of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 5(1)(b) of the Directive "... there exists a likelihood of confusion on the part of the public..." shows that the perception of marks in the mind of the average consumer of the category of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.. '.

25. Thus, the global appreciation counselled constitutes all relevant issues: the distinctiveness of the earlier mark - where that arises from inherent characteristics of the marks itself, or ensues from trade - as well as an appreciation of the '...visual, aural or conceptual similarity..' of the marks in question, all the while judging the matter through the eyes of the average consumer of the goods in question.
26. The 'average consumers' in this case are ordinary members of the public, purchasing batteries, flashlights, torches etc., from the shelves of supermarkets and the like. They are neither overly well informed about battery products, nor particularly ignorant. They are reasonably vigilant buyers of such items. Mr Williams stated that 'Batteries are fast moving consumer goods which are often selected speedily from shop shelves by reference to their coloured get-up'. Mr Morcam and Ms McFarland agreed. I was not so sure: it is usually necessary to study battery packs to discover the classification of the product within, i.e. AAA or AA etc., so as to ascertain its suitability for use. However, I do not ignore the point made by Mr Williams.
27. I focus on batteries here, because they are identical with that of the opponents and, furthermore, this is where the opponents' very significant reputation lies: the sales of batteries, arguably, has had an influence on the distinctiveness of the 'get-up' of its packaging on the market. Thus they represents the opponents' best case: if they can't win here, I do not think they can win on the other products listed in their specifications. I note that the case law says that '..there may be a likelihood of confusion, notwithstanding a lesser degree of similarity between the trade marks, where the goods or services covered by them are very similar and the earlier mark is highly distinctive.'
28. The other relevant matter to keep to mind from the case law is the 'tension' between the perception of the mark as a whole - '..the average consumer ...does not proceed to analyse..' the marks various details - and the effect of the 'distinctive and dominant components' of the marks. Further, though reasonably well informed and reasonably circumspect and observant as I have noted, the average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind (*Lloyd* page 84, paragraph 27).

29. With these considerations in mind, I now turn to a comparison of the marks at issue.
30. Arguing against confusion, Ms McFarland said that, effectively, the opponents' contention is that the impact and effect of the two words DURACELL and EVEREADY must be ignored which, on their own evidence, are both famous marks, distinctive and clearly very distinguishable one from another.
31. The 'impact' of DURACELL is irrelevant to the comparison I must make under this ground. Its not in the opponents' earlier mark. The latter has the characteristics I have previously described: a colour combination in a particular format. Having said this, it is the case that I must take account of the EVEREADY element in the applicants' mark, one that is inherently distinctive and, in the words of Mr Morcom at the Hearing '..is itself a well known mark'.
32. Following from this, EVEREADY is a 'distinctive and dominant' component. As Ms McFarland stated, one cannot 'cherry pick', the marks must be considered as a whole. And this is the reason why the survey of the colour 'showcard', *sans* text, must be considered, largely, irrelevant. As Ms McFarland added, it disclosed a '..butchered version of the mark..not the application as applied for..', without many of its variations of colour, the textual material, layout and, most important in my view, the name of a dominant brand. She added '.. that evidence is wholly meaningless. You are asking questions about something that is not a relevant piece of material in the case at all'. I am inclined to agree.
33. It does not occur in many of these proceedings that one sides' best evidence is provided by the other side at, no doubt, some expense, but that does seem to be the case here, in respect of the survey evidence. I have quoted previously the following statement from Mr Williams, based on his appreciation of the survey, that '.. the only part of the Trade Mark Applications which distinguish the Applicant's goods from those of Duracell are the various Eveready Logos'. There are, of course, other features present as well (the ULTRA PLUS logo) but does this not rather amount to an admission that confusion, in respect of the mark as applied for, is unlikely? Essentially, when the marks are taken as a whole, on the opponents' own evidence (material and declaratory), confusion simply does not occur. In my view - it was Ms McFarland's as well - this is enough to kill the opposition stone dead, in respect of the remaining relative grounds.
34. Mr Malivoire was rather dismissive of Mr Forsman's comment that 'words speak louder than pictures', preferring the phrase 'a picture is worth a thousand words'. Unfortunately, Mr Malivoire is not familiar with trade mark law, and the much used mantra that 'words speak louder than devices.' His own survey seems to substantiate that precise point.
35. Turning to the colour combinations used by both parties, I think it is clear that the applicants mark uses yellow as the predominant colour, as opposed to the opponents' orange. However, there are similarities in the marks: the use of black at the top - and in the lay out. But, there are differences as well. In the application, approximately half of the mark is black, the colours being separated by a horizontal line; in the opponents' mark the line is 'angled' and black accounts for about a third, or less, of its surface. Mr Morcom identified the colour red in the dividing line in the applicants' mark, but neither myself or Ms McFarland were able to see it in the exhibits we studied. It might have been due to some 'bleed' or halo effect during copying.

36. On the issue of distinctiveness of the opponents' 'get-up' on the market place, Ms McFarland said that the opponents has failed to produce evidence of a

'.. tie-up between what I would call goodwill and product provenance. In other words, if one is approaching a get-up case, a colour scheme case, one would expect to see evidence of nurture, i.e. the marketing "Look for the one in the orange/yellow/black box. Look for the one in the card that is orange/red/yellow", whatever it may be, and that is wholly absent'.

37. I disagree. A business could gain a reputation in the presentation of their product packaging to the market place as a consequence of sales, without need for the sort of direct promotion so described. But it is clear that the opponents have aggressively promoted their name DURACELL (the packaging, product or promotional material *never* appears without it) and the 'get-up' of their batteries. I have already given my view of where the opponents' goodwill rests, above (paragraphs 10 and 16) - in the name DURACELL, in the battery 'get-up' and, to a less degree, in the packaging. I know Exhibit 10 separates out the packaging as a significant part of the opponents' 'One World, One Brand' approach to marketing, but this is their view of the matter. Exhibit 15, which contains an independent assessment of Duracell's reputation, identifies the name and the battery colour scheme as indicative of the same. On the latter point, Ms McFarland referred to the following passage from paragraph 19 of Mr Williams Declaration:

'I believe that the Duracell black and yellow/orange packaging is highly distinctive of Duracell. Indeed, for many years Duracell batteries have been sold by reference to the slogan: "No ordinary battery looks like it or lasts like it". In this regard I refer to the Duracell poster which is now produced and shown to me marked CMW- 14'.

She commented:

'..it seems to be somewhat odd that Mr Williams is referring to the fact that on colour combination there is some apparent similarity between the look of the battery and this point that he wishes to make..'

And concludes:

'..this is actually .. how the company choose to describe the colour combination, and it is a synergy or a similarity between the copper top and the black body and the colour combination that they do use in their get-up, their promotional material'.

If this is the case, it tends to weaken the likelihood of confusion further, as the packaging would tend to bring to mind the distinctive colours of the Duracell battery. Of course, Mr Williams could just be eliding the reputation of the latter with that of the packaging format.

38. It was also Ms McFarland's submission that red and yellow colours were 'generic' in these products. They were 'volcanic or flame colours evocative of electricity, power .. etc.'. There was no evidence of this; but the assertion does not seem unreasonable. My own surmise is that they are colours of the sun, sometimes juxtaposed with black as an indicator of darkness (compare the GOLD SEAL example in the ANNEX, where this appears to be the very intention). There is evidence that such colours are widely used on battery packaging.

Examples come from the applicants products themselves. In AEF 1 are a number of examples of the applicants' GOLD SEAL product. These incorporate red, yellow and black (see example in ANNEX). Though the applicants' 'traditional' colours are predominantly blue and red, the GOLD SEAL product appeared to be available in the UK in 1982, 1984, 1988, 1993 and 1994.

39. There are also the examples enclosed in Exhibit AEF2. This evidence was heavily criticised by Mr Morcom, who pointed out that there was no indication of the date at which these products were on the market. This obviously weakens the import of this material, but it does indicate to me the wide spread use of the colours at issue, in particular, black.
40. From the perspective of a global assessment, I do not think I can conclude that the similarities the marks share is enough to overwhelm the differences, and I have to find that there is no likelihood of confusion under s. 5(2)(b). This ground fails.
41. The next is passing off under s. 5(4)(a). This states:

‘(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented-

(a) by virtue of any rule of law (in particular, the law of passing off) protecting a unregistered trade mark or other sign used in the course of trade..’

The three elements of the familiar test are goodwill under the mark (at the relevant (the application) date of 24th June 1997), a likelihood of misrepresentation and damage (the *Wild Child* [1998] 14 RPC 455 case).

42. Following my conclusions above, I have no doubt that the opponents possess a significant goodwill in their marks. Misrepresentation is, however, following the survey evidence, very unlikely. Further, as under this ground I am required to consider, normal and fair use of the mark applied for and the actual use the opponents have made of theirs, I must take account here of the DURACELL name which, as I have pointed out, is always used in their promotion and advertising, as well as on the packaging of their products. Mr Morcom referred me to a case heard in the Privy Council, *de Cordova and others v Vick Chemical Coy* [1951] RPC 103, and to page 105:

‘They have not used the mark itself on the goods that they have sold, but a mark is infringed by another trader if, even without using the whole of it upon or in connection with his goods, he uses one or more of its essential features. The identification of an essential feature depends partly on the Court’s own judgment and partly on the burden of the evidence that is placed before it. A trade mark is undoubtedly a visual device ; but it is well-established law that the ascertainment of an essential feature is not to be by ocular test alone. Since words can form part, or indeed the whole, of a mark, it is impossible to exclude consideration of the sound or significance of those words’.

As this passage emphasises the importance of words and their sounds, I am not wholly sure how it is intended to advance Mr Morcom’s case. I have already given my view of the importance of the EVEREADY name in obviating a likelihood of confusion under s. 5(2)(b); to this I now must add the DURACELL name which, I have found, the opponents possess the a very great goodwill.

43. In *United Biscuits (UK) Limited v Asda Stores Limited* [1997] RPC 513 (the *Penguin/Puffin* case), *Harrods Ltd. v Harrodian School Ltd.* [1996] RPC 697 at 711, was quoted: ‘..the question why the defendant chose to adopt a particular name or get up is always highly relevant. It is “a question that falls to be asked and answered” ...’. Mr Morcon suggested that no such explanation had been provided in this matter. Walker J in *Penguin/Puffin* stated that the defendants in that case ‘..while aiming to avoid what the law would characterise as deception, they were taking a conscious decision to live dangerously. That is not in my judgment something that the court is bound to disregard.’
44. This point touches on bad faith, which I deal with below. Suffice it to refer to Mr Forsman’s Declaration, at paragraphs 1 and 8, where he emphasises the reputation and distinctiveness of the EVEREADY mark, and says that ‘.. the intention was to develop packaging comprising a combination of elements which together would form a distinctive trade mark.’ And I think he has succeeded. In *Penguin/Puffin* at pages 526 and 527 Walker J noted that the ‘..word PUFFIN is not very different from PENGUIN..’ and said that ‘..the name PUFFIN and the picture of an upright dark-coloured bird with a white front gives me the expectation, as matter of first impression, that a substantial part of the public who shop in supermarkets would see an association between the Asda product and McVitie’s Penguin.’ When one considers the two words marks DURACELL and EVEREADY there can be no such expectation here. This ground also fails.
45. Before moving on, at the Hearing, Mr Morcom made the following submission, on which I wish to comment:

‘It is well known that ... the public do not have to know who the trade mark owner is. There could be a merger so that the same company owns Eveready and Duracell, if the competition authorities would have allowed it, but the point is that it does not matter whether the public know that or not. It is sufficient if the colour here identifies a battery coming from a particular source and they are confused into thinking that it might be the same in the case of the other mark’.

I note that one of the findings in *Penguin/Puffin* was, that although it was unlikely that a significant proportion of supermarket shoppers would fail to distinguish between Puffins and Penguins if both were on sale next to each other, a substantial number of shoppers would suppose, assume or guess at an association, in the form of a common manufacturer, between the Puffin and the Penguin. This returns me to species of confusion under s. 5(2)(b), cited in *Canon* page 9, paragraph 29, where the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section.

46. But I do not think this stands in this case. In *Penguin/Puffin* the get-up used, as well as the choice of name by ASDA, was enough to lead to the conclusion of an association between manufacturers by the judge in that case. The same does not apply here. Further, evidence was supplied by witnesses that they could be so confused. There is no such evidence here.
47. The final ground pleaded by the opponents is bad faith, under s. 3(6) of the Act:

‘A trade mark shall not be registered if or to the extent that the application is made in bad faith’.

Mr Williams gives his view that the applicants' mark must have been chosen with the opponents' in mind (paragraph 20 above), so as to take advantage of their established reputation. Mr Morcom referred me to the now familiar passage in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, where Lindsay J stated at page 379:

'I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.'

Mr Morcom stated:

'.. it is perfectly obvious, in my submission, from the evidence, that the colour arrangement get-up of the applicants looks as if it might have been inspired by the brand leader, and it is interesting because Mr Forsman does not actually offer any explanation as to why they came to that particular arrangement of colours'.

I was also referred to *CA Sheimer (M) SDN BHD's Trade Mark Application* [2000] RPC 484 where bad faith succeeded, but passing off failed. Mr Morcom again referred to his contention of a lack of explanation of the particular colour combination chosen. I refer to paragraph 44 above. I have no doubt the applicants chose their mark as a whole, convinced that, as such, they were acting in good faith. The colour combination was only a part of that choice.

48. It is not unusual for competitors, in the language used in *Penguin/Puffin*, to use 'cues' or a tolerable degree of 'matching', 'challenge or 'parody' when adopting a get-up for their products. Examples, some of which, in my view, are much closer to the line than others and have arguably crossed over it, are given in Exhibit AEF-2. But I do not think that 'inspiration' (to use Mr Morcom's contention) - even if it were the case - is enough to find bad faith where there are other elements that mitigate against it. The mark EVEREADY is used in, what Ms McFarland called 'pride of place' in each application, within the EVEREADY 'shield' device which has been part of the mark for decades. Further, if one pleads 'bad faith' on the basis that I mark is copied, but cannot show confusion under ss. 5(2)(b) or 5(4)(a) of the Act, it rather makes it difficult for the Hearings Officer to so find, despite the result in the *VISA* case in respect of passing off. I note that Mr Hobbs, acting as the Appointed Person in that matter, noted that the objection under 3(6) there was based on the allegation that that application was filed with the deliberate intention of exploiting the reputation enjoyed by the opponents. He said that the allegation '.. serves to reinforce the objections under Section 5(3)) and Section 5(4)(a)' and then added:

'I doubt that the alleged intention would be sufficient to sustain an objection under Section 3(6) if it was insufficient to sustain an objection under Section 5(3) or Section 5(4)(a) in a case such as the present. I say that because the present case is one in which freedom from objection under Section 5(3) and Section 5(4)(a) would imply that the Application actually lacked the capacity to give effect to the alleged intention'.

I think the situation here is reflective of that in *VISA*.

49. It also appears to me that Mr Williams and Mr Morcom are asking me to find bad faith on the basis of an inference about the applicants' intentions in choosing the colour scheme. I note the following from a recent decision of the Appointed Person:

'An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning MR in *Associated Leisure v Associated Newspapers* (1970) 2 QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v Garrett* (1878) 7 Ch. D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of lack of bad faith made under section 3(6). It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference.'

50. The applicants have won and there is the matter of costs. Ms McFarland referred in her skeleton argument to the grounds under s. 3, and stated:

'It is specifically submitted that there was nothing inherently offensive in the marks applied for such as to warrant refusal for registration under the absolute ground (Section 3(4)). This section is derived from Article 3(2)(a) of the Directive 89/104 which provides:

"3 (2) any member state may provide that a trade mark shall not be registered or, if registered shall be liable to be declared invalid where and to the extent that

(a) the use of that trade mark may be prohibited pursuant to provisions of law **other than trade mark law** of the member state concerned or of the community" (emphasis added).

It is clear from the wording of the Directive that the legal prohibition must arise from provisions of law other than trade mark law (Kerly 7-170-173). In this case it would appear that the Opponents were always merely relying upon the facts and matters that allegedly support the purported Ground of Opposition based on section 5(4) of the Act. There was never any other alleged breach, infringement or any other legal provision that was either pleaded or referred to in the evidence. Accordingly it is submitted that this ground was always misconceived and doomed to fail. The fact that this Ground has now been abandoned is insufficient to discourage the pleading and pursuit and of ill conceived matters or matters which effectively duplicate other parts of a claim or opposition, unless there is at least a meaningful costs award made against the Opponents. In so submitting, the Applicants echoed the words of Mr Salthouse in his recent strike out of the section 3(4) ground that had been pleaded in the opposition numbered B46841 by Lancome Parfums et Beaute et cie (unreported).

As far as section 3(3)(b) of the Act was concerned, it was merely pleaded generally and without particularisation that the mark(s) applied for were of such a nature as to "deceive the public". There was never any specificity in the pleadings or evidence as to why or how this is the case, other than by alleged confusion between the products of the Applicants and the products of the Opponents. Once again, it would appear that this ground was pleaded

on the basis that it merely replicates and relies upon the same submissions and assertions that are made in respect of the section 5(2) and 5(4) case advanced, and as such ought never to have been pleaded, leading inevitably to wasted costs and time’.

There was similar comment relating to the bad faith ground - the opponents have made no attempt to make out the ground, they had presented no particulars either in pleadings, nor foreshadowed in the evidence, and the denial of bad faith put forward in the applicants evidence has not been challenged or replied to in any way.

51. These latter comments are not wholly accurate. The opponents did particularise their bad faith ground in paragraph 28 of Mr Williams’ Declaration and in paragraph 9 of Mr Steven John Jennings’ Declaration. The ground failed, but was argued.
52. As to the remaining absolute grounds under s 3, I think it must be obvious by now that these were not going to muster any serious objection to an opposition based on earlier rights and earlier marks. It may be considered to be unnecessary - even poor practice on behalf of the opponents’ agents to have included them - but I recognise that it is not always clear at the start of proceedings the nature of the evidence that will emerge as they take their course. In the matter referred to by Ms MacFarland - the decision made by Mr Salthouse (OH! DE MOSCHINO Application, Opposition N^o. 46841, Application N^o. 2102999, dated 20th July 2001) - the ground was dismissed, but no order of costs above the usual scale was made, and Mr Salthouse did not make any statement in relation to costs. I agree that the grounds should not have been pleaded, but I decline to augment the usual award of costs, because I do not consider that much effort should have been expended in dealing with them.
53. I order the opponents to pay the applicants £600. I set the award at this level because there are parallel proceedings which duplicate the evidence and were heard together. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 26 Day of September 2001.

**Dr W J Trott
Principal Hearing Officer
For the Registrar, the Comptroller General**

ANNEX

SEE FIGURE in EVERANNEX.WPD