



TRADE MARKS ACT 1995

DECISION OF A DELEGATE OF THE REGISTRAR OF TRADE MARKS WITH REASONS

Re: Trade mark application number 716112, for registration of a trade mark - the sign being a SEA-SHELL shape - filed in the name of Chocolaterie Guylian N.V.

Trade mark application number 716112 was filed, in class 30, on 28 August 1996 by Chocolaterie Guylian N.V.. The goods are stated as *non-medicated confectionery, chocolates, pralines*. The application is in respect of a shape mark and bears an endorsement reading:

The trade mark consists of the three-dimensional shape of the piece of chocolate illustrated in the following representation.

The graphic representation of the mark is shown below. It gives two views of the shape. This, I will mention, is not a satisfactory representation. As specified in *The*



Trade Marks Office Draft Manual of Practice and Procedure, perspective or isometric drawings are required for all shape marks and should show all features of the sign. The applicant's attorney agreed. This was not an issue, and further representation would be provided if the application is to proceed.

I shall refer to this sign as the *SEA-SHELL shape*.

I mention, for the sake of interest, that this application is the first of eleven applications filed by Chocolaterie Guylian N.V. for shape signs for confectionery. All eleven shapes are marine designs - mostly sea-shells, but they include a sea horse and a shrimp.

Exam history

The examiner of trade marks objected to the application and issued a number of reports. The substantive objection was that the sign was not inherently adapted to distinguish. In her third report the examiner, Ms Nangrani, says,

... the shapes of shells and shapes of marine creatures cannot be considered capable of distinguishing chocolates and confectionery [because] traders in the chocolate and confectionery industry already use these shapes ... I cannot agree with your submissions that these shapes are not normally adopted for confectionery.

After four reports, Chocolaterie Guylian N.V. through its attorney, Mr Robert Strickland of Griffith Hack, applied to be heard. A hearing was scheduled and took place before me in Canberra on 8 December 1998. Mr Strickland attended on behalf of the Chocolaterie Guylian N.V..

Submissions

Mr Strickland's submissions centred on the degree of inherent distinctiveness in the SEA-SHELL shape. He claimed any SEA-SHELL shape was distinctive for chocolates and confectionery. He said these shapes were not normally adopted by manufacturers as a form in which to produce chocolates and confectionery. Rather, he said, a SEA-SHELL shape is uniquely adapted to distinguish the goods of the applicant, Chocolaterie Guylian N.V..

Spirit of the Trade Marks Act 1995

Mr Strickland then drew my attention to the fact that the application was proceeding under the *Trade Marks Act 1995*. He submitted that the spirit of this new legislation is based on a presumption of registrability, and there is a clear intention to provide for the registration of the shapes of a product provided the shape is capable of distinguishing. Registration of the SEA-SHELL shape, he submitted, will not prevent other traders from shaping their confectionery in the form of sea-shells although it would, he said prevent other traders from producing chocolates in any deceptively similar shape or any shape that was likely to be deceptive or misleading.

Comparison with other marks previously accepted

Finally, Mr Strickland drew my attention to a number of shape marks which, since 1 January 1996, have been accepted under the terms of the *Trade Marks Act 1995*. He submitted that in view of these acceptances, the SEA-SHELL shape should similarly be held to be a shape which is capable of distinguishing.

The Law

Section 41 of the *Trade Marks Act 1995*, so far as it is relevant, reads:

41(1) ...

(2) An application for the registration of a trade mark must be rejected if the trade mark is not capable of distinguishing the applicant's goods or services in respect of which the trade mark is sought to be registered (designated goods or services) from the goods or services of other persons.

(3) In deciding the question whether or not a trade mark is capable of distinguishing the designated goods or services from the goods or services of other persons, the Registrar must first take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods or services from the goods or services of other persons.

(4) Then, if the Registrar is still unable to decide the question, the following provisions apply.

(5) If the Registrar finds that the trade mark is to some extent inherently adapted to distinguish the designated goods or services from the goods or services of other persons but is unable to decide, on that basis alone, that the trade mark is capable of so distinguishing the designated goods or services:

(a) the Registrar is to consider whether, because of the combined effect of the following:

(i) the extent to which the trade mark is inherently adapted to distinguish the designated goods or services;

(ii) the use, or intended use, of the trade mark by the applicant;

(iii) any other circumstances;

the trade mark does or will distinguish the designated goods or services as being those of the applicant; and

(b) if the Registrar is then satisfied that the trade mark does or will so distinguish the designated goods or services ... the trade mark is taken to be capable of distinguishing the applicant's goods or services from the goods or services of other persons; and

(c) if the Registrar is not satisfied that the trade mark does or will so distinguish the designated goods or services ... the trade mark is taken not to be capable of distinguishing the applicant's goods or services from the goods or services of other persons.

(6) If the Registrar finds that the trade mark is not inherently adapted to distinguish the designated goods or services from the goods or services of other persons, the following provisions apply:

(a) if the applicant establishes that, because of the extent to which the applicant has used the trade mark before the filing date in respect of the application, it does distinguish the designated goods or services as being those of the applicant $\frac{3}{4}$ the trade mark is taken to be capable of distinguishing the designated goods or services from the goods or services of other persons;

(b) in any other case $\frac{3}{4}$ the trade mark is taken not to be capable of distinguishing the designated goods or services from the goods or services of other persons.

The case law

As I noted recently in *Application 707146 by NationsBank Corporation to register the trade mark WORLD CARD* (as yet unpublished), this section of the Act is judicially considered by Justice Branson in the OREGON case, *Blount Inc v The Registrar of Trade Marks*, 40 IPR 498 at 504. Her Honour there observes that, under the terms of section 41 - in deciding a trade mark's capacity to distinguish.- the Registrar is faced with three options. In all three alternatives the question of inherent adaption to distinguish is critical. The Registrar may conclude:

(a) that the trade mark is **inherently adapted to distinguish** the designated goods or services from the goods or services of other persons and capable, on that basis alone, of so distinguishing the designated goods or services; or

(b) that the trade mark is not to any extent **inherently adapted to distinguish** the designated goods or services from the goods or services of other persons; or

(c) that the trade mark is to some extent **inherently adapted to distinguish** the designated goods or services from the goods or services of other persons, but there is uncertainty, on that basis alone, that the trade mark is actually capable of distinguishing the designated goods or services. (My emphasis).

The critical nub on which each of these alternatives hinges is the fact of the trade mark's **inherent adaption to distinguish**.

Justice Branson continues:

... if the Registrar reaches conclusion (a) above, then he or she will decide the question whether or not the trade mark is capable of distinguishing the designated goods ... from the goods ... of other persons by reaching the answer that it is so capable by reason of its inherent adaptability to distinguish (s 41(2) and (3)). The Registrar will, in such circumstances, be required, by reason of the terms of s 33(1) of the Act, to accept the application ...

...

If the Registrar reaches conclusion (b) above, then the provisions of paragraphs (a) and (b) of s 41(6) are brought into operation. ... If the applicant fails to establish that because of the extent to which the applicant has used the trade mark before the filing date of the application, the trade mark does distinguish the designated goods ... as being those of the applicant, the Registrar must reject the application pursuant to s 41(2).

If the Registrar reaches conclusion (c) above, then the provisions of paragraphs (a), (b) and (c) of s 41(5) are brought into operation. ...

The first step in determining the issues of section 41, is, says her Honour (p504):

to take into account the extent to which the trade mark is inherently adapted to distinguish the designated goods from the goods of other persons.

Justice Branson then addresses the question of inherent adaptation and comments both in terms of the repealed *Trade Marks Act 1955* and the current law. She says (p506):

The notion of a trade mark being inherently adapted to distinguish the designated goods was of primary significance under the 1955 Act. There is no reason to think that the phrase "inherently adapted to distinguish the designated goods from the goods of other persons" appearing in s 41(3) of the Act is not intended to be understood in the light of decisions under the 1955 Act, and comparable United Kingdom legislation which includes references to inherent adaptability.

Justice Branson then cites the following rule defining the meaning of *adapted to distinguish*. This well known definition is set down by Kitto J in *Clark Equipment Co v Registrar of Trade Marks* (1964) 111 CLR 511 at 514:

... the question whether a mark is adapted to distinguish [is to] be tested by reference to the likelihood that other persons trading in goods of the relevant kind and being actuated only by proper motives - in the exercise, that is to say of the common right of the public to make honest use of words forming part of the common heritage, for the sake of the signification which they ordinarily

possess - will think of the word and want to use it in connexion with similar goods in any manner which would infringe a registered trade mark granted in respect of it.

The meaning of *not to any extent inherently adapted to distinguish*

As the starting point for assessing the SEA-SHELL shape sign in terms of section 41, I am then, to decide whether the SEA-SHELL shape is, to any extent, inherently adapted to distinguish chocolates and confectionery from chocolates and confectionery offered by competing manufacturers. The criterion for establishing whether, as per subsection 41(3), a sign is to any extent inherently adapted to distinguish, is addressed by a test established by Justice Jacob (*British Sugar PLC v James Robertson & Sons Ltd*, [1996] RPC 281 at 306), the *TREATS case*. His Honour says:

The phrase [“devoid of any distinctive character”] requires consideration of the mark on its own assuming no use. It is the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark. A meaningless word or a word inappropriate for the goods concerned (“North Pole” for bananas) can clearly do. But a common laudatory word such as “Treat” is, absent use and recognition as a trade mark, in itself ... devoid of any distinctive *inherently* character.

A sign possessing no inherent distinctive character is a sign that is not to any extent adapted to distinguish. As confirmed by Justice Branson’s analysis of section 41, such a sign falls to be considered within the terms of paragraph 41(6).

Inherent distinctiveness and the SEA-SHELL shape

Shape marks in general

Where the sign under consideration is not a word trade mark, but a shape mark, then the wording of Justice Kitto’s test is appropriately recast in terms of whether it is likely that other persons trading in goods of the relevant kind, and being actuated only by proper motives, will wish to employ that sign in the manufacture of their own goods. The *goods* here are chocolates - and the *sign* is a novelty chocolate shape - a chocolate sea-shell. The *proper motive* includes the legitimate right of competitors to make competing goods. The question of whether the SEA-SHELL shape is capable of distinguishing therefore resolves itself into the question of whether other chocolate manufacturers who trade in novelty chocolates, and who are actuated by a legitimate desire to compete, are likely to want to include a sea-shell shape in any range of novelty chocolates they may wish to produce.

The approach taken by *The Trade Marks Office Draft Manual of Practice and Procedure* is in agreement with this reasoning and is expressed in similar terms. In paragraph 3.3.4 of Part 21, it indicates that a shape sign will lack inherent adaptation to distinguish if the grant of a monopoly in that shape would hinder competition in the relevant market. *The Draft Manual* then goes on to discuss the inherent distinctiveness of shape marks in terms of functionality.

Many products are designed primarily on the basis of visual appeal and the shape of these goods is likely to reflect contemporary style and current trends and fashions. The success of such products (shoes, lampshades, ice-cream cakes, teddy bears ...) depends on their pleasing design and will accordingly be bought (or not bought) largely on the success (or otherwise) of their configuration. Where an aspect of shape is designed to capture market appeal that shape must then be regarded as functional. It is an adaptation which other trader should be free to compete with and, as held by the *Draft Manual* at Part 21 3.3, functionality of this kind *has no inherent adaptation to distinguish the applicant's goods ... from the same or similar goods ... of other traders.*

In terms of the more familiar “word marks” a decorative shape, which enhances the market appeal of the product, is no more adapted to distinguish than a laudatory or descriptive word which praises or describes them. On the contrary, those shapes (like the laudatory and descriptive words) are adapted to promote demand.

On the whole, and not surprisingly, the criteria which must guide the Registrar in determining whether or not a shape mark is capable of distinguishing are essentially those same criteria which determine whether or not a word or device mark is capable of distinguishing. It is the question of whether the sign is one which other traders would normally expect to be freely available and which, for the sake of fair competition, they should be at liberty to use.

Confectionery shapes in general

With that test in mind, I turn to the goods. As I mentioned at the outset, these are *non-medicated confectionery, chocolates, pralines*. The SEA-SHELL shape, at least at present, appears to be produced only in chocolate or praline.

It is common general knowledge that confectionery is manufactured in novelty shapes. It seems to me most unlikely that any person with a passing knowledge of the Australian food market, would not be familiar with novelty confectionery such as jelly snakes, jelly beans, jelly babies, chocolate bears, chocolate frogs, milk bottles and mint leaves, and the myriad novelty shapes that are put about at times like Christmas, Easter and St Valentine's day. A casual glance at any specialist chocolate counter will reveal a host of other decorative and alluring designs.

Sea-shell shapes in particular

In putting products upon the market, traders are naturally intent on design and presentation, and seek out styles and ideas to increase their share of the market. For a wide body of goods certain design themes are consistently popular and are repeated year after year. An *ad hoc* list would include butterflies, bears, hearts, stars, moons, ducks, daisies, mushrooms, shells and so on. These motifs are "perennial favourites" and many kinds of products emerge in their likeness. They regularly turn up as domestic items - containers, crockery and candles spring to mind; so too do biscuits, soaps and pasta; and buttons, ribbons and lace; and of course in confectionery. Among these ever popular decorative themes are a battery of marine creatures such as sea-shells, fish, starfish and corals: creatures natural - such as sea horses; and creatures fanciful - such as mermaids and Neptunes.

In order to compete, manufacturers will wish to avail themselves of these decorative shapes and, as the market dictates, respond with goods designed to take advantage of current demands. If marine themes are popular, then traders will legitimately wish to take advantage of that popularity and design their goods accordingly. A trader who responded to such demand does so in order to compete. To this end a manufacturer who wishes to produce chocolates in novelty shapes may reasonably decide to produce a range of chocolates replicating sea creatures and such a range is clearly likely to include shells.

Legal test

Turning then, to the test to determine whether the SEA-SHELL shape is a sign which is inherently adapted to distinguish, I find first, on the basis of common general knowledge, that sea-shells are a popular design element and that a SEA-SHELL shape is a shape that other confectionery manufacturers are likely to wish to include in their own novelty range.

Applying the directives of Justice Kitto, I find there is a real likelihood that other persons trading in confectionery and actuated only by proper motives in the exercise of their right to compete on an equal footing, will wish to produce their confectionery, chocolate or praline in SEA-SHELL shapes similar to the subject trade mark.

Because manufacturers have traditionally produced chocolates in a variety of novelty shapes I find, furthermore, that Chocolaterie Guylian's SEA-SHELL shape will not be perceived as its trade mark, but will be regarded simply as the style adopted for one range of its goods. In terms of Justice Jacob's criterion (*supra*) I am satisfied that for the purchasing public to become consciously aware that the SEA-SHELL shape is a trade mark, it must first be appropriately educated to think that way. Without that education it seems to me that the public will see the SEA-SHELL shape as nothing more than one of the attractive styles adopted by Chocolaterie Guylian for the sake of charming its customers and inducing them to buy.

Accordingly, I find that the SEA-SHELL shape which Chocolaterie Guylian N.V. applies to register under trade mark application number 716112 is apt for use by its competitors and has not, to any extent, been adapted to distinguish. This trade mark is therefore a sign which falls within the provisions of subsection 41(6).

Evidence

There is no evidence to consider.

I am aware, however, that Chocolaterie Guylian N.V. has had this product on the market for some while, and to this end I was prepared to allow time for evidence to be filed. In doing so I drew Mr Strickland's attention to the following concern expressed by Jacob J, in the *TREAT'S case* (*supra*) at p303:

There is an unspoken and illogical assumption that "use equals distinctiveness". The illogicality can be seen from an example; no matter how much use a manufacturer made of the word "Soap" as a unsupported trade mark for soap the word would not be distinctive of his goods ...

I do not consider that the evidence filed to support the registration was anywhere near enough to support the conclusion that when the mark was registered, it was distinctive ... it was not proved that the public regarded it as a trade mark ... a reliable badge of trade origin ...

The nature of the SEA-SHELL shape sign is such that evidence to satisfy section 41(6)(a) would need to show first, that the shape is recognised as a trade mark (and not simply as an attractive product) and second, that as a trade mark it denotes the goods as those of Chocolaterie Guylian N.V. To this end, straightforward sales reports would not, on their own, succeed. Trade declarations from the public and/or evidence from experienced member of the confectionery business would need to be filed. This should establish that the SEA-SHELL shape is not recognised merely as the applicant's goods, but is perceived as a trade mark and understood as the trade mark which signified the confectionery, chocolates and pralines of Chocolaterie Guylian N.V..

Two last matters

Presumption of registrability

Mr Strickland, as I mentioned, submitted that the *Trade Marks Act 1995* now provides for the registration of shapes and, he said, that the spirit of the legislation is based on what is referred to as the *presumption of registrability*. He is right on both points. First, section 7 of the Act, lays down that a sign includes shapes. Second, the wording of section 41, in contrast to the wording of section 24 under the *Trade Marks Act 1955*, is couched in terms which presume registrability. Nevertheless, under section 41 the criteria for acceptance are spelt out in detail under subsections (2) to (6), and where capacity to distinguish is wanting, the provisions of subsections (5) and (6) operate. While the *presumption of registrability* is a starting point, it does not over-ride the critical tests laid out in these subsections.

Comparison with other marks accepted

Mr Strickland also drew my attention to a long list of shape marks which, since the commencement of the *Trade Marks Act 1995*, had proceeded through to acceptance. Some, I note, have been registered. Others are in the throes of opposition. Mr Strickland wishes me to consider those marks and, in line with their acceptance, he advocates that the SEA-SHELL shape should similarly be allowed.

In the main, however, a comparison with trade marks which are neither subject to a hearing nor a court determination, is not a fruitful or appropriate exercise. I turn again to Justice Jacob's comments at p305 of the *TREATS decision* (supra). He says:

Both sides invited me to have regard to the state of the register. ... I do not think this assists the factual inquiry one way or the other save perhaps to confirm that ["Treat"] is the sort of word in which traders would like a monopoly. In particular the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led the registrar to put the marks concerned on the register. It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration see e.g. *MADAME Trade Mark* ([1966] RPC 541) and the same must be true under the 1994 Act. I disregard the state of the register evidence.

I consider that this view has even more force in respect of any current proceedings dealing with shape marks. Office practice is not yet fully developed, and case law dealing with this aspect of the *Trade Marks Act 1995*, is yet to come.

Decision

I have found that the SEA-SHELL shape sign, the subject of this trade mark application, is not to any extent adapted to distinguish. It therefore falls within the provisions of subsection 41(6). The applicant relies on no evidence. Therefore it has not established that because of use prior to the filing date of 28 August 1996, the SEA-SHELL shape performs as a trade mark and identifies the designated goods as those of Chocolaterie Guylian N.V.. Having reached this conclusion, pursuant to the provisions of subsection 41(2), I am obliged to reject the application to register the SEA-SHELL shape.

Accordingly I reject trade mark application number 716112.

Helen R. Hardie
Deputy Registrar

26 March 1999