



TRADE MARKS ACT 1995

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

Re: Trade mark application number 755825(16, 34) - CIGARETTE PACKET- in the name of REEMTSMA CIGARETTENFABRIKEN GmbH.

Background

Reemtsma Cigarettenfabriken GmbH has applied, in classes 16 and 34, to register a trade mark described in the following terms:

The trade mark is a three-dimensional shape consisting of an octangular prismatic cigarette packet and being coloured with the colour yellow running from the top to the bottom of the packet forming a narrow strip having a roughly trapezium shape, all on a white background as shown in the representation.

The shape of the package is clear from the representation, as follows:



The package shown on the application form arguably has a pale grey background colour, rather than white. Were it not for the specific description, I would be in some doubt about the colours in question but since the representation is ambiguous, I take the description as definitive.

In view of the fact that many readers will encounter this decision in black and white, I will further describe the mark. The trapezium shape, to which the above description refers, is, in simple terms, like a tall and narrow letter V in shape, with the bottom corner missing. At the top edge of the front panel, the shape occupies roughly 60% of the width, tapering down to

about 25% of the width at the bottom edge. It has soft and somewhat indistinct edges, such that the yellow or gold colour washes into the white of the rest of the package.

An examiner of trade marks has said that the trade mark, taking all its features of shape and colour together, is not capable of distinguishing. I will come to the specifics of that claim later. In simple terms, the examiner has said that this particular combination of shape and colours is not possessed of a sufficient amount of inherent trade mark merit, when used as a cigarette packet for the goods in question, the class 34 goods, to distinguish them from those of others. The examiner was prepared to consider evidence of use to further decide the question.

I should also point to a second and interlocking problem that the examiner has outlined and that the applicant has failed to address. The examiner has said:

The applicant has claimed packaging especially for tobacco products in Class 16. The applicant would therefore appear to be claiming that the shape and colour of the packet will clearly distinguish that packet in the marketplace as the applicant's, this irrespective of the use of the packet by third parties to whom it would be offered for sale.

The applicant presented evidence of use, the Statutory Declaration of Peter Ohlinger. This was examined and considered by a Principal Examiner, who was not convinced, for reasons which I largely agree with and which I will not therefore repeat at this point of my decision. However, I note that the Principal Examiner went further than the examiner who had first reported on the application. She considered that the trade mark had absolutely no inherent adaptation to distinguish. The Principal Examiner stated that, without "evidence that demonstrates widespread and longstanding recognition of the claimed sign functioning as a trade mark" a hearing of the matter might be necessary and appropriate.

At that point, the applicant requested a hearing. I was assigned to conduct this and to decide the matter under delegation from the Registrar of Trade Marks. Mr Trevor Stevens, solicitor, of the attorney firm of Davies Collison Cave, appeared for the applicant.

At the hearing, Mr Stevens tendered an additional declaration, by Katherine Kemp. Ms Kemp is an employee of the patent attorney firm in question. Her declaration sets out some of her opinions, as a smoker, about what are and are not common colour combinations for cigarettes and similar goods. Ms Kemp notes that combinations of blue and white, and red and white, are common, and that green is used to indicate that the cigarettes are flavoured

with menthol. She has also conducted a search of the register of trade marks, for class 34, concentrating on cigarette packets. She observes that most commonly the colours adopted on the register are blue and white or red and white. She states that cigarette packets are typically rectangular, a fairly obvious conclusion.

She also notes that "panels, lines and chevrons" are commonplace on labels. She points out that colours are important in identifying cigarettes easily, typically in vending machines, where the customer selects the goods without the intervention of a salesperson. Ms Kemp also suggests that customers in a more conventional retail context may use the colours of the packet to indicate their requirement without reference to any word trade mark.

Applicable provisions

Sections 41 and 33 govern the acceptance or rejection of applications prior to any possible opposition to registration. Branson J looked at the inter-relationship of these in *Blount v Registrar of Trade Marks*, 40 IPR 498. While I will not distend the current decision by setting out the provisions in full, I borrow from my colleague, Senior Examiner Ryan, the following useful summary of the three possible alternatives under s 41 and their consequences:

1. The trade mark has sufficient inherent adaptation to distinguish to be capable of distinguishing. No ground for rejection under s 41 then exists and s 33(1) binds the Registrar to accept the trade mark.
2. The trade mark has no inherent adaptation to distinguish. The onus is then on the applicant to demonstrate to the Registrar's satisfaction that the trade mark nevertheless does distinguish the designated goods or services by reason of use. If this is demonstrated, the Registrar must find that the trade mark is capable of distinguishing in terms of s 41(6). If so, s 33(1) binds the Registrar to accept the trade mark. An applicant's failure to demonstrate this means that the Registrar must reject the application in terms of s 41(2) and s 33(2).
3. The trade mark has some inherent adaptation to distinguish, but insufficient to be capable of distinguishing on that basis alone. The onus is then on the applicant to demonstrate to the Registrar's satisfaction that, by the combination of the extent to which it is inherently adapted to distinguish, and/or the use or intended use of the trade mark by the applicant, and/or any other circumstances, the trade mark **does or will** distinguish the designated goods or services in terms of s 41(5). If so, s 33(1) binds the Registrar to accept the trade mark. An applicant's failure to demonstrate this means that the Registrar must reject the application in terms of s 41(2) and of s 33(2).

In trade mark terms, inherent adaptation to distinguish means the qualities possessed by a trade mark that cannot be changed or altered by use over time. As expressed by Gibbs, J, in *Burger King Corporation v Registrar of Trade Marks*¹: "Inherent adaptability is something which depends on the nature of the trade mark itself - see *Clark Equipment Co. v Registrar of Trade Marks*²- and is therefore not something that can be acquired; the inherent nature of the trade mark itself cannot be changed by use or otherwise".

Issues and decision

At the hearing Mr Stevens reiterated the submissions made to the examiner. He was critical of the suggestion that the trade mark was devoid of inherent adaptation. I agree with him on that issue, though not precisely with his reasons.

I do not, as I said at the hearing, accept that the mere flattening of the front side corners of a cigarette pack endows that package with any inherent trade mark merit. It is reasonable and normal for an object intended to be carried on the person to be constructed to allow it to be less obtrusive in a pocket or under a suit: holsters for pistols and hip flasks for liquor are prime examples. In the present social climate, where smoking is seen by some, perhaps many, to be antisocial, I do not find it at all remarkable that a manufacturer would move to make the familiar bulge of a cigarette packet more discreet. That change is entirely functional and the fact that the flattening of the corners appears to better approximate the radius of the cigarettes at the two ends of the front row is entirely predictable. Similarly, the fact that the back of the pack does not have the flattened corners is readily explicable on grounds of function, to allow the easier and more durable operation of the flip-top packaging. The shape, to put it simply, is entirely functional.

Mr Stevens also relied on the use of colour as an identifier. He stressed the importance of this in sales from vending machines or where the buyer does not speak English, including some tourists. He did not explain how or why such a person would be able to better articulate the English words for the colours in question than to articulate the word mark that is, apparently in all instances, put onto the goods by the applicant. Those words, unchanging worldwide, would probably not be as "foreign" to Mr Stevens' hypothetical buyer as would be the English words for white, yellow or gold. None the less, Mr Stevens' submission has an element of truth. I am sure that anyone who has bought cigarettes at a busy tobacco counter,

¹ [1973] 128 CLR 417 at 424

² (1964) 111 CLR 511

or watched others do so, will appreciate that colour and pattern do play a role in identifying one brand from another.

In my experience, cigarettes are always asked for by brand, with sometimes a colour as a secondary identifier, for example, "a packet of MARLBORO RED please". It is often arguable that the secondary characteristic being identified at such times is the tar content or flavour, not the trade source. However, the matter does not end with simple colours such as red or blue, or the green that Ms Kemp agrees is used to denote menthol flavour. Anyone who has ever stood at a tobacco counter, or any similar place where tobacco products of many brands and varieties are racked, will at one time or another have both seen and heard a customer directing an inexperienced sales assistant to the place where the desired product is racked. To my own observation, this can be done at distances or on angles where word marks are very hard to see, but where the get-up of the packet is still evident. I think it would be idle for me to assert that some combinations of colour and get-up cannot distinguish one tobacco product from another. Thus, while I do not entirely subscribe to Mr Stevens' portrayal of the degree of inherent adaptation in the mark as "quite high" there is some degree of creativity in the arrangement and layering of the colours in question.

Mr Stevens also stressed the evidence of use and promotion, which the examiner has already considered. However, I agree with the examiner on that point. While the mark has, inherent within it, a not-inconsiderable degree of ability to distinguish the applicant's goods, it will not achieve that aim without a more significant, and more sympathetic, amount of public exposure than has so far been achieved in this country.

I have not been provided with a good sampling of instances of the mark in use. I am left to infer the specifics of this from the material appended to the Ohlinger declaration. I note that, in a billboard promotion pictured in one of the annexures to this, a copy of part of the applicant company's annual report for 1999, the trapezium shape is shown in maroon against a black background. From that material, the mark so used is used in conjunction with the DAVIDOFF CLASSIC range, whereas the form currently applied for is apparently used with the words DAVIDOFF LIGHTS.

I do not say that this use of a colour mark with a stronger and more readily identifiable word mark is fatal to the applicant's case. Traders, so far as I can see, regularly use trade marks in combinations. Where it is clear that a sufficient association or linkage has been built up

between a colour combination and a word mark or other mark that already denotes a particular trader, I think it would be more than reasonable to conclude that the colour is capable of distinguishing. Were it even clear that this was likely to happen, I think the inference would also be open and, accepting as I do that the mark has a measure of inherent adaptation, acceptance under s 41(5) would be appropriate. However, on the limited information available to me, that inference is not shown to be likely or reasonable.

Equally, the inherent ability should not be undermined, as it apparently is in this case, by the manner of use. Specifically, in the one colour example of a comparable mark actually in use for promotional purposes - the maroon on black variant to which I have already referred - the cigarette packet shown in the display is open, with the lid flipped well back, reducing the visible height of the V, while keeping the focus on the words DAVIDOFF CLASSIC. I am prepared to concede that the stripe is of the same general proportions as the one currently at issue. However, the lack of emphasis on the coloured V renders it more easily taken for "just another panel", a feature that the applicant concedes is common among cigarette packages. Similarly, on the cover of the report in question, a trick of the light or of the printer has reduced the shape in question to what seems to me to be an ordinary, non-tapering vertical maroon panel on black. Such less-than-reverent use does not incline me to find that the mark is likely to become recognised by the buying public, or that it is even valued by the applicant.

Consistent with this, in the report itself, I find not one single mention of a family of trapezium-shaped stripe marks. I do not insist that there should be such a mention, and it would be a mistake to stipulate that mention there must be. But the absence of it urges caution.

I do not think, however, that it is correct to set a new standard, as by insisting that the applicant must present evidence of recognition of the sign functioning as a trade mark. In practice, many customers would not know the difference between a trade mark and a patent. The issue of "what is a trade mark?" would simply not have occurred to them and it may well be beyond the ability of an applicant to present evidence of recognition as such. However, those same customers will probably, for example, know pink fibreglass when they see it, and they will not expect it to come from more than one trade source. Once it is clear that the linkage exists, the matter is resolved at a practical level and it is not proper to stipulate what such evidence must, or must not, look like.

The question is always a practical one, which Branson J, in *Blount v Registrar of Trade Marks* 40 IPR 498 assessed on "the overall impact of (the) evidence". At 509, with italicised material added, she said:

It was pointed out by the respondent [*the Registrar of Trade Marks*] that a significant number of the deponents to such affidavits have stated that they associate the word "Oregon" in relation to mechanised equipment with chainsaw chains, bars and accessories, but they have not expressly stated that they understand such products to come from a particular trade source. However, if each of the affidavits is read as a whole, it is, in my view, clear that the deponent does identify "Oregon" as a range or brand of products of a particular supplier. ... In each case the evidence relied on by the applicant is to be evaluated in the light of any evidence tending to the contrary effect and having regard to the evidence which the applicant might reasonably be expected to be able to obtain in all the circumstances of the case.

Finally, the quantum of use in this matter is trifling. While a million or more cigarettes may seem significant as an abstract number, it is not so over the course of an entire year, in the Australian market. Nor has the period of use been extensive: first use in Australia was in 1999.

I agree with Mr Stevens that I can and should consider overseas registrations in comparable jurisdictions as a relevant factor under s 41(5). However, I note that in the U.S.A. this trade mark is registered in the Supplemental Register only. Mr Stevens did not address this at the hearing and the matter need not be gone into at this stage. However, were matters closer to balanced, I would inquire of the applicant why it is that the mark is not registered on the Principal Register in that country. The Supplemental Register is intended for marks that are not registrable on the Principal Register. The latter form of registration would carry with it broader rights, involve an opposition forum and be, apparently, more robust.

Equally, it is, I think, fairly well known that cigarettes are varied, in packaging and constituents, to suit local conditions. This argues that a lack of local use should have a higher weight, when balanced against existing international registrations, than it might otherwise do in relation to, for instance, items of capital equipment aimed at specialist buyers. Even in such a case, I note the comments of Senior Examiner Murray in *Application by Kamyr Inc* - 34 IPR 432 (emphasis present in original):

I do not believe that I should accept that the registration of the mark LO-SOLIDS elsewhere in the world should, *in isolation*, be the determining factor enabling me to ignore the earlier concerns of the examiner and the principal examiner, which I now share, and decide that this trade mark does or will distinguish the applicant's

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goods in Australia in accordance with the criteria set down by s 41 (5) of the *Trade Marks Act 1995*.

This is particularly so when the comparability of the overseas registration is by no means certain.

Accordingly, taking together all of the relevant factors that I am required to consider for the purposes of s 41(5) of the *Trade Marks Act 1995*, I am not satisfied that the trade mark is capable of distinguishing. I therefore reject the application.

Terry Williams
Hearing Officer
27 April 2001