

SOCIÉTÉ DES PRODUITS NESTLÉ SA v CADBURY UK LTD¹

COURT OF APPEAL

Lewison L.J., Sir John Mummery and Sir Timothy Lloyd: 26 and
27 June and 4 October 2013

[2013] EWCA Civ 1174, [2014] R.P.C. 7

- H1 *Trade Marks – Application for registration – Opposition Proceedings – Colour marks – Purple as “the predominant colour applied to the whole visible surface” – Whether a “sign” – Whether capable of being represented graphically – Whether properly to be regarded as an application for registration of a single colour or a combination of colours – Whether an application for a multitude of visual forms – Whether sign applied for too vague – Distinctiveness – Whether sign inherently unregistrable – Appeal dismissed – Further appeal to Court of Appeal*
- H2 Trade Marks Act 1994, ss.1, 3
Council Directive 2008/95/EC (“the Trade Marks Directive”), arts.2, 3
Treaty for the Functioning of the European Union (“TFEU”), art.267
This was an appeal to the court from a decision of HHJ. Birss Q.C.² which was itself an appeal from a decision of the registrar’s hearing officer in relation to an opposition by Société des Produits Nestlé S.A. (“Nestlé”) to an application by Cadbury UK Ltd (“Cadbury”) to register as a trade mark a sign described as “[t]he colour purple (Pantone 2685C), as shown on the form of application, applied to the whole visible surface, or being the predominant colour applied to the whole visible surface, of the packaging of the goods”. The mark had been applied for in respect of “[c]hocolate in bar and tablet form, chocolate confectionery, chocolate assortments, cocoa-based beverages, preparations for cocoa-based beverages, chocolate-based beverages, preparations for chocolate-based beverages, chocolate cakes” in class 30 of the UK trade marks register.
- H3 Before the hearing officer,³ the issues had included questions of principle and law but a substantial part of the dispute related to the evidence concerning the use of the colour purple by Cadbury and its licensees, the use of purple by others and the perception of third parties. The evidence ran to 26 witness statements, the exhibits were voluminous and included survey evidence and there had also been some cross-examination.
- H4 Nestlé argued, inter alia, that the mark applied for was not a “sign” on grounds that the representation of the mark put forward by Cadbury would permit a material variation in the proportion of the packaging bearing the colour in question, ranging from an uncertain % to 100% of the visible surface. Nestlé also argued that reference

¹ This appeal was heard together with the appeal against the decision of Arnold J. in *J.W. Spear & Sons Ltd v Zynga Inc.* (No. 2) [2012] EWHC 2637 (Ch), [2013] F.S.R. 28. Judgment on that appeal is reported at [2014] F.S.R. 13.

² [2012] EWHC 2637 (Ch), reported at [2103] R.P.C. 14.

³ Reported as *Cadbury Ltd’s Trade Mark Application* [2012] R.P.C. 18.

in the trade mark application to purple being “the predominant colour” applied to the packaging of the goods implied that another colour could be present on the packaging and this effectively meant that the mark was a colour combination, but with only one colour named and defined. Further, the mark applied for did not satisfy the requirement for graphical representation, the words “being the predominant colour . . .” being too vague and it was not capable of distinguishing in any event. Bad faith had also been alleged but this was only pursued before the hearing officer to the extent that it was contended that Cadbury did not use and had no intention of using the colour mark “. . . applied to the whole visible surface . . . of the packaging of the goods”. Cadbury accepted that the mark was excluded from registration *prima facie* by the provisions of s.3(1)(b) of the Trade Marks Act 1994, but contended that the mark had acquired distinctive character through use by the date of the application.

H5 After the issue by the hearing officer of a preliminary decision on the merits which was essentially in Cadbury’s favour, the parties had been invited to make submissions on the appropriate list of goods for inclusion in the specification and in relation to costs. The hearing officer held that the mark should be registered for “Chocolate in bar and tablet form; chocolate for eating; drinking chocolate; preparations for making drinking chocolate.” In allowing the registration for “chocolate for eating” the qualification added by the words “for eating” was added to ensure that the specification did not extent to cooking chocolate, which had not been within the scope of the specification of goods in the mark as applied for.

H6 On appeal to HHJ. Birss Q.C., the conclusions of fact which the hearing officer had reached on the evidence were largely unchallenged, particularly his finding that the mark applied for was capable of distinguishing and had become distinctive in fact. Nestlé argued that the mark applied for should have been excluded from registration on the same basis as in the *Dyson*⁴ case. The mark which Cadbury had applied for (i) was not a “sign”, (ii) did not satisfy the relevant criteria for graphical representation, (iii) implied the use of more than one colour, (iv) would be too indeterminate unless the subject of some suitable “special delimitation”, and (v) that hearing officer had erred in his assessment of the relevant “context” when assessing registrability. Further, the particular wording of the application itself presented alternatives (whole or predominant application of the colour in question to the packaging of the goods), the word “predominant” introduced a subjective element into the mark, and the mark applied for was a colour combination mark and should be treated as such. There was also a subsidiary argument that the hearing officer had wrongly confined the applicability of the principles set out in *Dyson* as relating to functional concepts or other properties of the goods themselves and not as excluding marks which covered a multitude of visual forms more generally. Nestlé also advanced two specific points on the specification of goods on the appeal, namely (a) whether the specification in so far as it concerned chocolate in bar or tablet form should have extended beyond milk chocolate, and (b) on the use of the term “chocolate for eating”.

H7 HHJ. Birss Q.C. treated the main question as being in essence whether, even if it had been shown that the public associated the relevant shade of purple with Cadbury’s chocolate at the relevant date as a matter of fact, Cadbury could obtain a registration of that colour *per se*. He held, inter alia, that the mark applied for could not be said to

⁴ Case C-321/03, *Dyson Ltd v Registrar of Trade Marks* [2007] E.C.R. I-687, [2007] R.P.C. 27, CJEU.

be any different from the single colour mark applied for in the *Libertel*⁵ case. The use of the words "... applied to the whole visible surface, or being the predominant colour applied to the whole visible surface, of the packaging of the goods" in the description of the mark applied for did not mean that purple would not be used with other material but that any such material did not form part of the sign applied for. It was accordingly inappropriate to regard the mark as a combination of colours or indeed as a combination of the colour in question with any other distinguishing matter and there was no need for any systematic arrangement or special delimitation as a result of the wording used in this case. The criticism that the amount of purple was variable and so it was unclear how the mark would be applied to the goods or how much advertising materials would need to be purple before they would count as use of the mark took matters no further. If the point was a good one, then it would not be possible to register a colour in the abstract at all. Since on the evidence the public associated the colour purple itself with Cadbury's chocolate, Cadbury was entitled to a registered mark for that colour on relevant goods.

H8 As to the wording of the specification, HHJ. Birss Q.C. also held that plain and white chocolate were different enough from milk chocolate for Cadbury to draw a distinction between them in its branding and Cadbury did not use the colour purple on kinds of chocolate other than milk chocolate. Further, Nestlé's arguments in relation to the term "chocolate for eating" were rejected. It was not unclear, even if it was unfamiliar. "Chocolate for eating" referred to products which were essentially just chocolate itself.

H9 Accordingly, HHJ. Birss Q.C. had dismissed the appeal and directed that the mark should proceed to registration in respect of "milk chocolate in bar and tablet form; milk chocolate for eating; drinking chocolate; preparations for making drinking chocolate."

H10 On appeal to the Court of Appeal, Nestlé limited its challenge to the judge's findings that the mark was a sign and that it had been represented graphically. Nestlé contended, inter alia, that it was necessary to start with the requirement of graphic representation and to identify the sign the applicant sought to register and ascertain whether it had been defined with the necessary clarity, precision and objectivity. As to whether the mark applied for was a "sign", Nestlé argued that the judge had wrongly treated the application as being for a colour mark *per se* which would never alter whereas in fact it included a verbal description indicating a number of different forms. Further the word "predominant" introduced elements of vagueness and subjectivity which did not satisfy the requirements of precision, clarity and objectivity. There was no way of defining what "predominant" meant without reference to how people would respond to different uses of the colour purple and it would present problems both for the registrar's examiner and for a defendant to an infringement action challenging the mark by way of counterclaim. Distinctiveness in fact had no impact on the assessment of these issues. Further, Nestlé submitted that if the issues raised on this appeal were not *acte clair* in its favour, a reference to the CJEU was appropriate.

H11 Cadbury supported the decision of HHJ. Birss Q.C. The mark applied for was distinctive in fact and the application complied with current legal requirements. Cadbury argued, inter alia, that the application in issue was for a single colour, the colour was fixed and stable and although it was not clear how the colour would be applied to the goods or advertising material, there was no requirement that the uses

⁵ Case C-104/01, *Libertel Groep BV v Benelux-Merkenbureau* [2003] E.C.R. I-3793, [2004] F.S.R. 4, CJEU

made or proposed to be made of the colour had to be incorporated into the graphical representation. Further, the words “being the predominant colour” were not too vague and had been used in the description of other trade mark registration for colour marks. Reference was specifically made to the UK IPO Guidelines in relation to applications for colour marks. Cadbury argued that the case law was clear. However, if accepted, Nestlé’s arguments would undermine the rulings of the CJEU in both *Libertel*⁶ and *Heidelberger*⁷ and in those circumstances a reference to the Court of Justice would be required. A ruling in Nestlé’s favour could have the effect that a number of trade marks including trade marks in other Member States would be liable to be declared invalid.

H12 **Held**, allowing the appeal,

H13 (1) Both the judge and the hearing officer had misinterpreted the verbal description of the graphic representation of the mark applied for and had thereby erred in principle. The application extended to an unknown number of signs in which the colour purple predominated over other colours and other matters which meant that the mark described was not a “sign” within the meaning of art.2 of the Trade Marks Directive. It was not for an unchanging application of a single colour as in *Libertel*. ([49], [50], [55], [63])

Case C-104/01, *Libertel Groep BV v Benelux-Merkenbureau* [2003] E.C.R. I-3793, [2004] F.S.R. 4, CJEU, distinguished.

H14 (2) The description, properly interpreted, was not of a “sign” which was “graphically represented” either. Where the colour purple was less than total, the result would be the registration of multiple signs with different permutations, presentations and appearances and which were neither graphically represented nor described with any certainty or precision, or at all. ([51], [55], [63])

Case C-273/00, *Sieckmann v Deutsches Patent- und Markenamt* [2002] E.C.R. I-11737, [2003] R.P.C. 38, CJEU; Case C-49/02, *Heidelberger Bauchemie GmbH’s Trade Mark Application* [2004] E.C.R. I-6129, [2004] E.T.M.R. 99, CJEU and Case C-321/03, *Dyson Ltd v Registrar of Trade Marks* [2007] E.C.R. I-687, [2007] R.P.C. 27, CJEU applied.

H15 (3) To allow a registration so lacking in specificity, clarity and precision of visual appearance would offend against the principle of certainty. It would also offend against the principle of fairness by giving a competitive advantage to Cadbury and by putting Nestlé and its other competitors at a disadvantage. ([52])

H16 (4) It was unnecessary to make a reference to the CJEU. The interpretation of art.2 of the Trade Marks Directive had already been expounded with clarity and in sufficient detail to enable the court to decide this appeal. ([56])

H17 *Observed (per Sir Timothy Lloyd)*: “. . . Ms Himsworth showed us Guidance from the UK IPO issued in 1997 which says that it may be possible to make clear how a colour constitutes the applicant’s mark by defining the mark as being the colour covering the whole visible surface of, or the predominant colour applied to, the visible surface of named items, e.g. the packaging for the goods. She also showed us examples of registrations in which that approach or formula has been used. The use of this sort of formula may require reconsideration in given cases.” ([64])

⁶ Case C-104/01, *Libertel Groep BV v Benelux-Merkenbureau* [2003] E.C.R. I-3793, [2004] F.S.R. 4, CJEU

⁷ Case C-49/02, *Heidelberger Bauchemie GmbH’s Trade Mark Application* [2004] E.C.R. I-6129, [2004] E.T.M.R. 99, CJEU

H18 Cases referred to:

Cadbury's Trade Mark Application [2012] R.P.C. 18, IPO
 Case C-321/03, *Dyson Ltd v Registrar of Trade Marks* [2007] E.C.R. I-687, [2007] R.P.C. 27, CJEU
 Case C-49/02, *Heidelberger Bauchemie GmbH's Trade Mark Application* [2004] E.C.R. I-6129, [2004] E.T.M.R. 99, CJEU
J.W. Spear & Sons Ltd v Zynga Inc. (No. 2) [2012] EWHC 2637 (Ch), [2013] F.S.R. 28, Ch.D.
 Case C-104/01, *Libertel Groep BV v Benelux-Merkenbureau* [2003] E.C.R. I-3793, [2004] F.S.R. 4, CJEU
Public Relations Consultants Association Ltd v Newspaper Licensing Agency Ltd [2013] UKSC 18, [2013] R.P.C. 19, SC
 Case C-273/00, *Sieckmann v Deutsches Patent- und Markenamt* [2002] E.C.R. I-11754, [2003] R.P.C. 38, CJEU

H19 *Michael Bloch Q.C.* and *Simon Malynicz*, instructed by *R.G.C. Jenkins*, appeared on behalf of the opponent/appellant.
Emma Himsworth Q.C. and *Stuart Baran*, instructed by *Charles Russell LLP*, appeared on behalf of the applicant/respondent.

JUDGMENT**SIR JOHN MUMMERY:****Introduction**

- 1 In what circumstances can a colour be registered as a trade mark? In this appeal the answer turns on two of the legislative requirements, as judicially interpreted: a trade mark must be (i) “a sign” and (ii) “graphically represented.” Applications and registrations of the less conventional kind of subject matter, such as colour, are potentially problematical, especially if they cover a multitude of different visual forms.
- 2 This second appeal arises from an application by Cadbury UK Limited (Cadbury), the respondent, to register a trade mark for chocolate. It features a specified shade of the colour purple. The appeal is from an order made by HHJ. Birss Q.C. dated 1 October 2012: [2012] EWHC 2637 (Ch), [2013] F.S.R. 28. He dismissed an appeal by Société des Produits Nestlé SA (Nestlé) from the decision of the principal hearing officer to accept Cadbury’s application. The judge directed that the Trade Mark Application No 2 376 879 should proceed to registration with the specification of goods in class 30 in the following form:

“Milk chocolate in bar and tablet form; milk chocolate for eating; drinking chocolate; preparations for making drinking chocolate.”
- 3 Nestlé asks this court to set aside that order.
- 4 Lewison L.J. granted permission for this appeal and for a second appeal on a similar point of principle in Appeal No. A3/2013/0062 *JW Spear & Sons Limited & Ors v Zynga Inc* [2012] EWHC 3345 (Ch), [2013] F.S.R. 28 (*Zynga*). At his direction both appeals were heard by the same constitution, this appeal going first and *Zynga* second.

Background

- 5 On 15 October 2004 Cadbury applied for a trade mark shown as a rectangle, which is a purple block when reproduced in colour, and described as:

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

- 6 The subject matter of the application was not the colour purple *per se*: it comprised the colour swatch as a sample of the colour, the Pantone shade, and the verbal description.

- 7 Cadbury filed evidence of distinctiveness acquired through use of the mark. The application was accepted and published. It was opposed by the appellant Nestlé before the principal hearing officer, who allowed the application with an amendment to the specification of goods, so that the mark would be registered in class 30 for:

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

- 8 In its unsuccessful appeal to the High Court Nestlé did not seek to overturn the key findings of the hearing officer that the mark applied for was capable of distinguishing the goods of one entity from those of another and was distinctive. Nestlé’s objection to registration was based on initial principles: that the colour mark described in the application was not registrable because it was not “a sign” and was not capable of being represented graphically.

- 9 Nestlé’s grounds of appeal in this court are that the judge made errors in relation to the requirements that a trade mark be “a sign” and that it be “graphically represented.”

- 10 Alternatively, it is submitted that, if the issues on the interpretation of the directive are not *acte clair* in Nestlé’s favour, they should be the subject of a reference to the Court of Justice of the European Union (CJEU) under art.267 of the Treaty for the Functioning of the European Union (TFEU) .

The law

- 11 The Trade Marks Directive 2008/95/EC of 22 October 2008 (the directive) states:

“Article 2

Signs of which a trade mark may consist

A trade mark may consist of any signs capable of being represented graphically, particularly words, including personal names, designs, letters, numerals, the shape of goods or their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.

Article 3

Grounds for refusal or invalidity

The following shall not be registered or, if registered, shall be liable to be declared invalid:

- (a) signs which cannot constitute a trade mark;
- (b) trade marks which are devoid of any distinctive character;

....”

12 The provisions of the directive were implemented in ss.1 and 3 of the Trade Marks Act 1994 (the 1994 Act). It is common ground that the effect of the directive and of the 1994 Act is that to be registered a mark must be a “sign” and must be capable of being represented graphically. Nestlé argues that the mark applied for by Cadbury in this case does not satisfy those initial criteria.

13 The judge recognised that unconventional or “exotic” marks, such as colours, sounds and smells, give rise to conceptual problems, which are not encountered with more conventional trade names and logos. As the registration of a trade mark creates a form of intellectual property conferring a potentially perpetual monopoly in the mark and excluding everybody else from use in various ways, the point of principle has some public importance.

The cases

14 In his quest for the correct interpretation of the requirements for registration the judge considered the main judgments of the CJEU concerned with “exotic” trade mark registrations. Rather than repeat his valuable discussion of the authorities, I will touch briefly on the main point of each case and collect together the parts of the reasoning relevant to these two appeals:

- (i) *Libertel Groep BV v Benelux-Merkenbureau* Case C-104/01 [2003] E.C.R. I-3793, [2004] F.S.R. 4.

The point was whether Libertel, a telecommunications company, could register the colour orange as a trade mark for telecommunications goods and services. It was held that a colour not spatially defined is capable of being registered as a trade mark, provided that it satisfies the three conditions of (i) being a sign, (ii) being capable of graphical representation, and (iii) being capable of distinguishing the goods or services of one undertaking from another.

- (ii) *Sieckmann v Deutsche Patent –und Markenamt* Case C-273/00 [2002] E.C.R. I-11754, [2003] R.P.C. 38.

The point was whether the applicant could register the smell of a compound called ethyl nitrate as a trade mark. It was held that a sign did not have to be perceived visually. A smell could be a sign, if it could be represented graphically and thereby be identified as having the qualities of clarity, precision, objectivity and durability. The representation in the public register of trade marks must be self-contained, easily accessible and intelligible. Those requirements were not satisfied in that case.

- (iii) *Heidelberger Bauchemie GmbH v Bundespatentgericht* Case C-49/02 [2004] E.C.R. I-6129, [2004] E.T.M.R. 99.

The point was whether an application to register a combination of the colours blue and yellow in every conceivable form as a trade mark could

be granted. It was held the application should be refused, as it did not exhibit the required qualities of precision and uniformity required by art.2 of the directive.

- (iv) *Dyson v Registrar of Trade Marks* Case C-321/03, [2007] E.C.R. 1-687, [2007] R.P.C. 27.

The point was whether the transparent collection chamber of a vacuum cleaner could be registered as a trade mark. It was held that the mark applied for should be rejected, because it was for a property of the product concerned, not a sign indicating the source of the product. The mark applied for could take on a multitude of different appearances in a general and abstract manner covering all conceivable shapes of a transparent collecting bin forming part of the external surface of a vacuum cleaner. Its grant would give the applicant an unfair competitive advantage over competitors.

Some relevant points

- 15 Some general points relating to the requirements of art.2 of the directive, which are relevant to this case, can be picked out of the judgments:

The conditions

(1) An application to register a trade mark must satisfy three conditions for the purposes of Article 2:

- (i) there must be a sign;
- (ii) it must be capable of graphical representation;
- (iii) it must be capable of distinguishing the goods or services of one undertaking from those of other undertakings.

Purpose

(2) The purpose of the requirements is to prevent abuse of trade mark law in order to obtain an unfair competitive advantage.

Identification

(3) Identification requirements for entry of a trade mark on the public register of trade marks include clarity, intelligibility, specificity, precision, accessibility, uniformity, self-containment and objectivity.

Multitude of forms

(4) The identification requirements are not satisfied, if the mark could take on a multitude of different appearances, which would create problems for registration of the mark and give an unfair competitive advantage over competitors.

Colour without a message

(5) Colours are normally a simple property of things, or a means of decorating things. They are not normally capable of being a sign. A sign conveys a message. The sign is capable of being registered as a trade mark, if the message is about the source of goods or services.

Colour as a sign conveying a message

(6) Depending on the facts and circumstances of the case, colours, or combinations of colours, designated in the abstract and without contours and used in relation to a product or service are capable of being “a sign.”

Graphic representation of colour

(7) As for the second condition of graphical representation, in a mark consisting of two or more colours designated in the abstract and without contours, qualities of precision and uniformity are required. The colours must be arranged by associating them in a predetermined and uniform way.

Colour without form/in a multitude of forms

(8) Those requirements are not met by the mere juxtaposition of colours without shape or contours, or by reference to colours in every conceivable form, so that the consumer would not be able to recall or repeat with certainty the experience of a purchase. The scope of protection afforded by such a mark would be unknown both to the competent authorities responsible for maintaining the register and to economic competitors. Registration would confer unfair competitive advantages on the proprietor of the mark.

- 16 Speculation by this court about the future direction of trade mark law at this stage of development would not help anyone. The only sensible course is for this court to concentrate its attention on the two appeals.

Decision of the principal hearing officer (Mr Allan James)

- 17 The hearing officer (on behalf of the Registrar of Trade Marks) heard answers given by Mr Peter Creighton, head of licensing at Cadbury, to questions about the meaning of “predominant colour” in the description of the mark. Mr Creighton said that a number of factors determined whether use of a colour was to be regarded as “predominant” or just incidental. The main factors were:
- (i) The proportion of the surface area of the packaging on which the colour appears.
 - (ii) The position on the packaging where the colour appears, particularly whether the colour appears on the front of the packaging and at the top of the packaging as the product is viewed.
 - (iii) Whether the colour appears as a continuous block or is mixed up with other colours.
- 18 In rejecting Nestlé’s argument that the subject matter of Cadbury’s application does not constitute “a sign”, the hearing officer concluded:

“81. I therefore find that the potential for the application of the sign to the goods to vary from product to product, in terms of the proportion of the visible surface of the packaging covered by the colour, is not a reason to conclude that the mark itself is made up of an infinite number of signs. The mark itself – the colour purple Pantone 2685C – is fixed and stable. Provided that each use of the colour in relation to the goods constitutes a sign, and falls within the limitation “...applied to the whole visible surface, or being the predominant colour

applied to the whole visible surface, of the packaging of the goods” it is use of the same sign. If it were otherwise the ECJ’s judgments in *Libertel* and *Heidelberger Bauchemie* to the effect that it is possible to register colour in the abstract, would be undermined. This is because if it were necessary to show by lines or contours how the colour looks when applied to each product, advertising media etc., then it would not be possible to register colour in the abstract. Rather, registration of colour would only be possible in the form of the “get-up” of a particular product or promotional article.”

- 19 He went on to hold that the sample of the colour supplied on the form of application accompanied by the Pantone shade clearly satisfied the requirements of graphic representation laid down in *Libertel*. He also rejected Nestlé’s contention that the reference to “predominant colour” was “too vague.” He said that the decision maker has to make a judgment on whether a colour is the predominant one used on the visible packaging for a product. Mr Creighton had given a reasonable idea how such a judgment would most likely to be made.

Judgment of HHJ. Birss Q.C.

- 20 The judge noted that the hearing officer had found as a fact that the mark is distinctive of Cadbury and is capable of distinguishing the goods of one entity from another. The appeal was on the sign point and the graphic representation point. He dismissed Nestlé’s appeal on those points, as he was unable to find any “distinct or material error of principle” in the decision of the hearing officer.

Sign point

- 21 The judge concluded at [63] that single colours are capable of being signs, of being represented graphically and of distinguishing; and that the description of the mark in this case was capable of being a sign within art.2. He said that the case was covered by *Libertel*. The wording in the description of the Cadbury’s mark had to be considered. It did not have the effect of making the case different from the single colour mark considered in that case.
- 22 In particular, he said in [58] that the use of the word “predominant” used in the description:

“...does not introduce any more vagueness and uncertainty than is already present and acceptable in a trade mark registration of this kind. Ms Himsworth submitted that the wording in Cadbury’s mark simply made explicit what was implicit in the mark considered in *Libertel*. I agree. The colour will be the predominant colour applied to the packaging of the relevant goods.”

- 23 On that point the judge agreed with the view of the hearing officer that the words of description were not too vague. They required a decision-taker to make a judgment as to whether a colour is the “predominant” colour used on the visible packaging for a product, but that presented no more difficulty than other judgments required to be made in relation to infringement.
- 24 He concluded that the mark applied for by Cadbury satisfied art.2:

“64... Since on the evidence the public associate the colour purple with Cadbury’s chocolate, Cadbury are entitled to a registered trade mark for the

colour on the relevant goods and that is the mark they have applied for. Mr James was right to find that the mark satisfied Article 2. I will dismiss that part of the appeal.”

Specification point

- 25 The judge held that the finding of distinctiveness was too wide and allowed the appeal on that point. He ordered the specification of the goods to be amended.

Reference point

- 26 The parties agreed that the judge should decide the points for himself, rather than refer matters of interpretation of the directive to the CJEU.

Nestlé’s submissions

- 27 Mr Michael Bloch Q.C. appearing for Nestlé focussed his arguments on the first two conditions in art.2 of the directive. He relied on a substantial skeleton argument submitted before he had been instructed on the appeal. In developing his detailed presentation he discussed the general approach in the light of issues arising out of the appeal in *Zynga*, as well as in this appeal.
- 28 First, he said that it was necessary to begin not with the requirement of a sign, but with the requirement of graphic representation in order to see what sign or number of signs the applicant was seeking to capture and whether the necessary criteria of clarity, precision, objectivity and so on laid down in the cases are satisfied.
- 29 Secondly, he submitted that the findings of the hearing officer on distinctiveness, which are not appealed by Nestlé, have no impact on the art.2 assessment: that assessment has to be made on the basis of the graphic representation of the sign actually applied for.
- 30 Turning to the sign he made the following points.
- 31 First, the application was for a colour plus a verbal description of how the colour would be presented on packaging. The judge wrongly treated it as a colour mark *per se*, which would never alter; but this mark included a verbal description indicating a number of visual forms liable to alteration.
- 32 Secondly, the description meant that the mark would not remain the same and, if that was the case, it would not be “a sign.”
- 33 Thirdly, that also meant that the mark applied for would not meet the requirement of specificity.
- 34 Fourthly, the use of the word “predominant” introduced into the verbal description of the mark elements of vagueness and subjectivity that did not satisfy the requirements of precision, clarity and objectivity. “Predominant” is a reference to the strongest or main element present and the impact that the use of the colour has on the consumer. There was no way of defining with what that meant without reference to how people would respond to the uses of the colour purple. That approach did not meet the requirements of art.2.
- 35 Those requirements could not be met by the argument that the use of “predominant” was just a way of excluding incidental use of the colour. It had a wider meaning than that. Nor could the requirements be met by confining the word “predominant” to conveying a message of distinctiveness. That would be begging the question.

It would be defining the mark applied for by reference to the characteristic that needs to be shown in use. On that approach a colour would be “predominant” simply because it would be seen as distinctive by the customer responding to it. That did not satisfy the art.2 requirements.

36 Mr Bloch Q.C. gave as an example to illustrate the problems of the introduction of the word “predominant” an application for registration of “Any and all uses of the colour purple Pantone X that are distinctive of Cadbury”, i.e. a mark distinctively used by Cadbury. He submitted that that could not qualify as a sign, because it does not clearly describe a fixed class. It is unclear what it describes at any one time. There was no basis on which acquired distinctiveness could be tested. It would vary according to the reputation of Cadbury.

37 The same problem of lack of definition would arise in having to decide what was a “predominant” use of the colour purple. That would present problems both for the registrar’s examiner, when deciding on registration, and for the defendant to an infringement action when challenging the mark by way of counterclaim.

38 The position was that recognised by Arnold J. in *Zynga* at [34] of his judgment: the assessment whether what is applied for is “a sign” and is “graphically represented” in accordance with art.2 is not determined by reference to an assessment or analysis of its acquired distinctive character. The first necessary step is in knowing what the sign actually is and how it is graphically represented. Only then does the question arise whether it is capable of distinguishing goods or services.

39 As for the specification, in the court below Nestlé sought a variation to delete the words “chocolate for eating.” That issue does not arise on the appeal.

Cadbury’s submissions

40 On behalf of Cadbury Miss Emma Himsworth Q.C. asked the court to dismiss Nestlé’s appeal. Her theme was that Cadbury’s application for registration was rightly accepted by the hearing officer and the appeal from the hearing officer was correctly dismissed by HHJ. Birss Q.C. Both were highly experienced specialist tribunals whose decisions contained no material error of principle.

41 The mark applied for is in fact distinctive of Cadbury: it is capable of distinguishing the goods of one entity from another. It complies with the current requirements of the EU, as authoritatively interpreted by the CJEU in *Libertel* and *Heidelberger*. Nestlé’s submissions would, if accepted, undermine those binding rulings.

42 In her skeleton argument Miss Himsworth opposed a reference to the CJEU pursuant to art.267 of the TFEU on the ground that it was unnecessary: the legal issues in the present case had been clearly and authoritatively decided in other cases. However, in the course of the hearing of the appeal she submitted that:

- (i) If the appeal were to be allowed, it would be contrary to the case law of the CJEU to date and in those circumstances a reference to the CJEU would be required; and
- (ii) On the basis of the approach of the Supreme Court in *Public Relations Consultants Association Ltd v Newspaper Licensing Agency Ltd* [2013] UKSC 18, [2013] R.P.C. 19, even were the Court of Appeal satisfied that it was in a position to decide the appeal without a reference to the CJEU a reference was appropriate given that, were the appeal to be allowed, a number of trade marks including trade marks in other Member States were liable to be declared invalid.

A sign

- 43 The judge correctly identified the sign applied for as an application for a single colour, which is contained in the graphic representation as a colour swatch without any contours. It was not an application for a combination of colours, or for a combination of the colour with other distinguishing matter.
- 44 The sign, being the colour purple, is not variable, but is fixed and stable as that colour in the shade Pantone 2685C. Although it was not clear how that colour would be applied to goods or advertising material, that would be the case whether or not the application for a colour *per se* contained the verbal description. It complied with the ruling in *Libertel*. There was no requirement that the uses made, or proposed to be made, of the colour had to be incorporated into the graphical representation of the mark.
- 45 There were unchallenged findings that the colour purple was not a simple property of chocolate, that it was distinctive of Cadbury and that the mark was capable of distinguishing the goods of one entity from another.
- 46 The hearing officer and the judge rightly rejected Nestlé's contention that reference to it "being the predominant colour" was too vague. The textual description confined the colour purple to a clear, precise and pre-determined application of that colour to the whole or being the predominant colour applied to the whole visible surface of the packaging of specified goods. As implicit in the reasoning in *Libertel*, the paradigm use of a colour mark on a substrate is one which is used predominantly and is conveying a message. In brief, as the judge said, the use of the word "predominant" in this way did not introduce any more vagueness and uncertainty than is already present and acceptable in trade mark registrations of this kind: see [58].
- 47 The word "predominant" had been used in the description of other trade mark registrations for colour marks. The court was shown examples of such marks. The guidance issued by the UK IPO indicated that the use of the word "predominant" was acceptable in the context of the description of colour marks as applied to the visible surface of named objects, such as packaging for goods. The word "predominant" was not a reference to alternative marks.
- 48 Further, the registration of the mark would not confer an unfair competitive advantage on Cadbury: the mark was not a property of the specified products; it was precisely defined by reference to the Pantone shade of colour; incidental use of the colour purple is excluded from the application; there is no competitive need to use the colour purple for the packaging of the relevant goods, other colours being equally usable; others have used the colour purple on packaging; and the colour is distinctive of Cadbury for the specified goods.

Discussion and conclusions

- 49 At the end of all the argument below and in this court the outcome of the appeal turns on quite a narrow point on which the hearing officer and the judge erred in principle.
- 50 The crucial point stems from the misinterpretation of the verbal description of the graphic representation of the mark for which application is made. The description refers not only to the colour purple as applied to the whole visible surface of the packaging of the goods, but also to an alternative i.e. "or being the predominant colour applied to the whole visible surface..." The use of the word "predominant" opens the door to a multitude of different visual forms as a result of its implied

reference to other colours and other visual material not displayed or described in the application and over which the colour purple may predominate. It is an application for the registration of a shade of colour “plus” other material, not of just of an unchanging application of a single colour, as in *Libertel*.

51 In my judgment, that description, properly interpreted, does not constitute “a sign” that is “graphically represented” within art.2. If the colour purple is less than total, as would be the case if the colour is only “predominant”, the application would cover other matter in combination with the colour, but not graphically represented or verbally described in the specific, certain, self-contained and precise manner required. The result would not be an application to register “a sign”, in the accepted sense of a single sign conveying a message, but to register multiple signs with different permutations, presentations and appearances, which are neither graphically represented nor described with any certainty or precision, or at all.

52 The appearance and number of such other signs would be unknown both to the registrar, who is responsible for the proper functioning of the registration system and is faced with the decision whether or not to register it on a public register, and to competitors, who would not be able to tell from inspecting the register the full scope and extent of the registration. To allow a registration so lacking in specificity, clarity and precision of visual appearance would offend against the principle of certainty. It would also offend against the principle of fairness by giving a competitive advantage to Cadbury and by putting Nestlé and its other competitors at a disadvantage.

Specification point

53 This does not arise.

Result

54 I would allow the appeal.

55 In brief, the description of the mark as including not just the colour purple as a sign, but other signs, in which the colour purple predominates over other colours and other matter, means that the mark described is not “a sign.” There is wrapped up in the verbal description of the mark an unknown number of signs. That does not satisfy the requirement of “a sign” within the meaning of art.2, as interpreted in the rulings of the CJEU, nor does it satisfy the requirement of the graphic representation of “a sign”, because the unknown number of signs means that the representation is not of “a sign.” The mark applied for thus lacks the required clarity, precision, self-containment, durability and objectivity to qualify for registration.

56 This court has reached that conclusion without finding it necessary to seek a ruling from the CJEU under art.267 TFEU on interpretation to enable it to give judgment. The interpretation of art.2 has already been expounded with clarity and in sufficient detail to enable this court to decide this appeal without troubling the CJEU with yet another reference on the directive.

Sir Timothy Lloyd

57 I agree with Sir John Mummery that the appeal should be allowed for the reasons he has given.

- 58 It seems to me that some of the reasoning of the hearing officer and of the judge proceeds on a false basis as to the effect of the CJEU's decision in *Libertel*. The judge described that case as deciding that "pure colour marks are in principle capable of being registered": see the judgment at [47]. In one sense that is correct, but I believe it can be, and has been, taken as going further than it should. The application for registration under consideration in that case showed coloured orange the space which was designated for the representation of the sign, and the section in which the colour of the mark was recorded was completed with the word "orange": see the Advocate General's Opinion [22], and the court's judgment [15]. That manner of proceeding was held to be inadequate because the specification of the precise colour depended entirely on the colouring of the registration application. This might change over time through fading and, even if it did not, it would not be identifiable with any kind of precision except by reference to the original application form. A process of reproduction might alter the exact colour. For that reason, the use of a reference point such as a Pantone shade was held to be necessary, the colouring on the original registration application being insufficiently accessible or durable, and the word orange being far from sufficiently precise.
- 59 The Court held at [68] that:
- "The reply to the first question referred must therefore be that a colour *per se*, not spatially delimited, may, in respect of certain goods and services, have a distinctive character within the meaning of Article 3(1)(b) and Article 3(3) of the Directive, provided that, *inter alia*, it may be represented graphically in a way that is clear, precise, self-contained, easily accessible, intelligible, durable and objective. The latter condition cannot be satisfied merely by reproducing on paper the colour in question, but may be satisfied by designating that colour using an internationally recognised identification code."
- 60 This evidently allows for the possibility that a sign consisting of a colour as such may have an acquired distinctive character, but the decision is that, in order to qualify for registration, even if it has become distinctive, it must satisfy the tests of being clear, precise, self-contained, easily accessible, intelligible, durable and objective, and that to reproduce the colour on paper is not enough, whereas reference to a suitable code may be.
- 61 That seems to me to be a decision that registration of a colour mark is not possible unless these tests are satisfied. It is not a decision that, if those tests are satisfied, then registration is possible. What more is needed for a sign which satisfies all of those tests to be registrable was not the subject of argument before the court.
- 62 As this case shows, there are considerable potential problems in seeking to show that a pure colour mark is properly registrable. The tests referred to in [68] of the *Libertel* judgment are aimed, among other things, at ensuring that both registration authorities and actual or potential competitors know the scope of the mark which is applied for or has been registered. Such persons must be able to tell not only whether a given mark is within the scope of the registration applied for or effected, but also whether it is *not* within that scope.
- 63 Cadbury's formulation, with its use of the words "or being the predominant colour applied to the whole visible surface, of the packaging of the goods" seems to me to fall far short of satisfying these tests. What is meant by "predominant" in this context? Miss Himsworth's primary contention was that a colour was predominant, in this context, if it covered more than 50% of the surface area in question. If this is right,

and if that is what was intended, then it might be possible to achieve certainty by spelling that out in the registration application. It could have read: “applied to the whole visible surface, or to more than 50% of the area of the visible surface, of the packaging of the goods”. But it is not difficult to imagine other tests which might be applied to determine predominance in respect of colour. If the contrast is between two different colours, one which is stronger or more eye-catching, or is applied to a more prominent part of the packaging, might be seen as predominant even if it was applied to a smaller area than another colour (including white). The evidence for Cadbury, to which Sir John Mummery has referred at [17] above, shows that Cadbury itself regarded other factors than the measured surface area as being relevant. In my judgment the use of the word “predominant” in this context, makes the description of the mark too subjective, too imprecise, and inadequately clear and intelligible, to be capable of registration.

64 As Sir John has mentioned at [47], Ms Himsworth showed us Guidance from the UK IPO issued in 1997 which says that it may be possible to make clear how a colour constitutes the applicant’s mark by defining the mark as being the colour covering the whole visible surface of, or the predominant colour applied to, the visible surface of named items, e.g. the packaging for the goods. She also showed us examples of registrations in which that approach or formula has been used. The use of this sort of formula may require reconsideration in given cases.

65 So far as the present case is concerned, I am satisfied that Cadbury’s formulation does not comply with the requirements for registration, and that the hearing officer and the judge were therefore wrong to hold respectively that it should be registered.

LEWISON L.J.:

66 I agree with both judgments.

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