

IN THE HIGH COURT OF SINDH, KARACHI

M.A. No.66/2008 to 73/2008 & 76/2008 to 78/2008

Smithkline Beecham P.L.C.

vs.

The Registrar of Trade Marks and another

Before: Mr. Justice Zulfiqar Ahmad Khan

Date of Hearing : 25.04.2016

Date of Order : 04.05.2016

Appellants : Through Ms. Amna Salman, Advocate

Respondent No.1 : Through Mr. Salim Ghulam Hussain, Advocate

Respondent No.2 : Through Mr. Khwaja Shoaib, Advocate

J U D G M E N T

Zulfiqar Ahmad Khan, J.:- In terms of the instant appeals, order passed by the Registrar of Trade Marks dated 22.03.2008 has been impugned wherein the Registrar disposed of Oppositions filed by the present appellants, in which oppositions the latter had challenged registration of a number of trade marks accepted by the Registrar.

Brief facts of the case are that the appellants are one of the leading global healthcare companies which *inter-alia* are engaged in the business of manufacturing and sale of toothbrushes and toothpaste. In continuation of the said line of business, the appellants, sometime in 1973, allegedly made certain important innovations in the manner of toothpaste being extruded from the mouth of a toothpaste tube onto a toothbrush, which primarily included multi-colour toothpaste emanating from the toothpaste tubes, which typically were used only to release toothpaste in one colour (hereinafter referred to as “speckled toothpaste slug device”),

commonly known as 'slugs'. The appellants took their chances to have their innovations to fall under trade mark law and filed applications for registration in a number of countries around the world, however, the learned counsel confirmed that no such applications were filed in Pakistan. The case of the appellants is that the toothpaste deploying said innovations were also made available in Pakistan markets and went on sale since early 2000 and people acquainted these toothpastes, on account of their distinctive getup, use and promotions, to be coming from no one else, except the appellants. However, in paragraph 7 of the memo of appeal, the appellants confess that speckled toothpaste containing granules of same and different colour emanating from toothpaste slug have been manufactured and marketed throughout the world by various companies including the appellants, and on their account, the speckled toothpaste slug device being used by different manufactures, cannot be held to be distinctive to any particular manufacturer and no person should be allowed to acquire monopoly or exclusive right for the use of the speckle toothpaste slug device in any manner. When such applications of the Respondent No.2 were advertised in the Trade Marks Journal, the appellants opposed grant of said applications, which oppositions were rejected by the impugned order, wherein the learned Registrar held in paragraph 31 as under:

“It would be just and equitable to grant right to the applicants in respect of the marks only for the applied colours and the toothpaste is no doubt descriptive and non-distinctive, however, as stated earlier that the colours combinations make them distinctive and as such the proprietors thereof should be given rights to the extent of colours for which the marks are applied for and the formation for which they have worked out. In view of the above I hereby dispose of the oppositions as under.”

After refusing the oppositions filed by the appellants, the Registrar allowed applications of the Respondent No.2, however, with certain limitation of colours, meaning thereby that Respondent No.2 though could

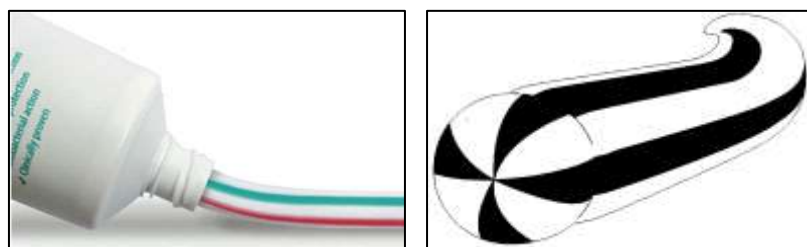
have no monopoly in slug device *per se*, however, if the slug device comprises of the colours for which the registration has been obtained by the Respondent No.2, no person should be allowed to get such colour combination of slug devices. Since the instant contention of the Registrar was contrary to the assertions of the appellants that identical slug devices are being deployed by a number of manufacturers, and have thus become *common to trade*, no registration thereof ought to have been granted to any person. Being aggrieved of these orders, the instant appeals were filed. In support of her contentions, the appellants' counsel placed reliance on the judgments reported as 1984 R.P.C 155 and 1987 R.P.C 13, where in the first case the High Court of Justice – Chancery Division of the United Kingdom dealt with the similar issue of striped toothpaste being extruded from the mouth of the toothpaste and held that it was the common practice of toothpaste manufacturers to illustrate the product by putting on carton advertisements representations of toothpaste being extruded onto a toothbrush, *thus, the trademark comprising of red and white striped toothpaste and toothbrush was not a trademark within the meaning of the act, rather a pictorial representation of the product*, therefore, the Registrar rightly refused the applications for registration of the striped toothpaste appearing on toothbrush. In the case of 1987 R.P.C 13, wherein application for toothpaste slug was refused, it was held that the question was whether at the relevant date the appearance of the toothpaste in colours was distinctive of the appellants' goods or not?

The counsel appearing on behalf of the appellants contended that while passing the Order, the Registrar failed to appreciate that the mark applied for by the Respondent No.2 was objectionable under section 6 of the Trade Marks Act, 1940 (hereinafter referred to as "the 1940 Act") as well as disentitled to protection under section 8(a) of the said Act.

To the contrary, the learned counsel appearing on behalf of Respondent No.2 made rival submissions and contended that the trade mark, which was duly allowed by the Registrar was fully protectable under the provisions of the 1940 Act, thus, no error has been made by the Registrar in accepting their applications; which he contended is quite distinctive as well as no confusion between their slug device and that of the appellants would be caused on account of visible dissimilarity. Similar arguments were also presented by the counsel appearing for the Registrar of Trade Marks, wherein he supported the contentions made by learned counsel for Respondent No.2. He also raised objections as to the status of the appellants having been changed since the appeal has been filed requiring fresh address of the appellants.

Heard learned counsels and perused the records. To us, there is a very simple question that needs answering in the instant appeals which is *whether the slug device is a trade mark?*

Before we proceed further, a typical photograph of a toothpaste being extruded from the mouth of a toothpaste tube forming a typical slug device is reproduced in the following:



While these matters were heard at the Chancery Division, Justice Hoffman with regards need, use and application of such trade marks writes that these toothpastes *'have been heavily advertised and has a market share of an 8 per cent. Advertising has tended to emphasise use by children, either to induce parents to think that their children will like it or to induce the children to ask their parents to buy it. The main selling feature has been the stripes....the fact that they are "fun", that is,*

attractive in a way that would make children more willing to brush their teeth. The second is that they contain a specific useful ingredient...fluoride". However, from the early beginnings these slugs have been seen suspiciously by trade mark law experts.

Global definition of a trade mark whether it is under section 2(1)(l) of the 1940 Act or under section 68(1) of the UK 1938 Act lives within the following four corners of "*a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the right . . . to use the mark, whether with or without any indication of the identity of that person . . .*". This definition got more liberal under post-WTO regime, and the new set of TRIPs-complaint laws define a trade mark to mean (e.g. section 2(1)xlvi of the Pakistan Trade Marks Ordinance, 2001) *any mark capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings*. Both these definitions have a common denominator, i.e., *commerce*. Marks have to be put to commercial use, i.e., *put in the course of trade*.

When these slug devices which are pictorial representations of the goods itself, were put up for registration as a trade mark, trade mark experts asked a question. Could a picture of the good (i.e. toothpaste) itself be said as use of the good in the course of trade? Since no one would be able to see the toothpaste until he purchases it, takes it home and squeezed it! As the very function of a trade mark is to depict connectivity of the product with its provider, such badge of origin has to be obvious to a purchaser so that he can put his hands on the desirable product. Once a product is purchased, the consumer has already married to the product and any further attributes attached to the product become of secondary value as the transaction has already been consummated, therefore what

comes out from the open end of a toothpaste once a person squeezes it is a post-purchase experience and the invisible stripes are of no trade mark value as they are also devoid of any distinctive character, which is a prerequisite for a trade mark to be registered.

Section 6(e) of the 1940 Act essentially requires distinctiveness in the mark in order for granting registration to the mark. Trade marks devoid of any distinctive character are not accorded any place on the register. Test for finding distinctive character was summarized in the Henkel's Application, SRIS O/152/01, as well as, in the case of Yakult Honsha KK's Trade Mark Application reported as 2001 RPC 756 where Justice Laddie held that *"the fact that a particular design is eye-catching because it is unusual or decorative is not enough by itself. At all times the Registry has to ask whether the design is distinctive as a badge of origin..... the fact that a container is unusual or attractive does not, per se, mean that it will be taken by the public as an indication of origin. The relevant question is not whether the container would be recognised on being seen a second time, that is to say, whether it is of memorable appearance, but whether by itself its appearance would convey trade mark significance to the average customer. For the purpose of this appeal, I am prepared to accept that the bottle shape is both new and visually distinctive, meaning that it would be recognised as different to other bottles on the market. That does not mean that it is inherently distinctive in a trade mark sense."*

One can easily gather from the above guidance that for a mark to have a distinctive character, a customer, when looking at the product on a second time, should be able connect the product to his past experiences with the instant product, which means, notwithstanding the eye-catching nature of the design, the product has to be re-recognised on being seen on the second time. It is not very hard to deduce from the above that the

visual or sensual contact with the product is very critical for a purchaser to distinctively remember it and recall images of the identical product purchased by him in the past. In the instant case, when the customer is making a decision to buy a toothpaste, all he is looking at is the packaging of the tube (which is functioning as a trade mark), whatever is inside the tube is not seen by him, so in the absence of any visual connection, the residue inside the tube, no matter how fancy or eye-catching it is, cannot function as a trade mark, regulating decision making equilibrium in the mind of the consumer.

For similar slug devices trade marks filed in the UK, the applications were refused by the Comptroller General with the following observations:

In my view the sign applied for will not be taken as a trade mark without first educating the public that it is a trade mark. It follows that this application is debarred from prima facie acceptance by Section 3(1)(b) of the Act.

The Swiss Supreme Court also in 2005 upheld a decision not to register the shape of a slug of toothpaste as a trade mark.

Before I proceed towards conclusion, I find it relevant to mention the case of “Intel Inside”, which (one could say) has somewhat relevancy with the instant scenario where the discussion is held about trade mark applied to goods which are not visible to the customer. Intel Corporation is one of the leading manufacturer of integrated circuits and microprocessors. Though the company printed its logo on the products, however, since such goods form a part of circuitry spread over a motherboard which is usually hidden from the public eye remain inside the exterior body of the products (mainly computers). Intel realized that since its trade mark hidden from the eyes of the purchaser directly, it should arrange to put “Intel Inside” on the packaging of the products wherein Intel microprocessors were used, to convey to the public that the products they are intending to purchase, use Intel’s microprocessors.

Research reveals that “Intel Inside” is a truncated version of the company’s initial (1980) tagline "*If you're buying a personal computer, make sure it has Intel inside*". As mentioned in the foregoing, even though (by and large) end consumers do not themselves buy Intel products as such, the company's success in persuading computer manufacturers to use the "Intel Inside" mark on the exterior body of the computers contributed to the huge reputation of the said trade mark resulting that anyone who sees the said mark used in relation to computers or computer-linked products or services takes it as denoting a trade connection with appellant. To the contrary, the case in hand is about natural outflow of toothpaste mass from the tube as the tube is squeezed, and the nature and color of the slug device emanating from the tube, in my view, do not make any trade connection with the manufacturer of the toothpaste, thus such devices could not be held as trade marks, or to have any secondary meaning.

For the various reasons cited hereinabove, I am of the view that the marks consisting of slug devices (being combinations of stripes, speckles and colors - while seen as the arrangement of the product itself, or mere decoration, or even as indicating any ingredients in the toothpaste), fail to distinguish the applicant’s goods and therefore do not function as a trade mark and are thus debarred from registration.

For the above reasons, the instant appeals are allowed and the impugned order is set aside.

Office is directed to make a copy of this judgment and place the same in each of the MA files, and send a copy of this judgment to the Registrar of Trade Marks, for publication in the electronic version of the forthcoming Trade Marks Journal.