

Case No: HC12B01387

Neutral Citation Number: [2012] EWHC 3345 (Ch)

IN THE HIGH COURT OF JUSTICE
CHANCERY DIVISION

Rolls Building
Fetter Lane, London, EC4A 1NL

Date: 28 November 2012

Before :

THE HON MR JUSTICE ARNOLD

Between :

(1) J.W. SPEAR & SONS LIMITED

Claimants

(2) MATTEL, INC.

(3) MATTEL U.K. LIMITED

- and -

ZYNGA, INC.

Defendant

Adrian Speck QC and Jeremy Heald (instructed by **Bird & Bird LLP**) for the **Claimants**
James Mellor QC and Ashton Chantrielle (instructed by **Olswang LLP**) for the **Defendant**

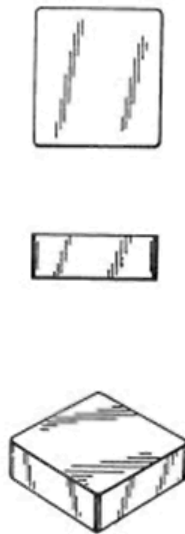
Hearing date: 16 November 2012

Judgment

MR JUSTICE ARNOLD :

Introduction

1. The First Claimant is the registered proprietor of United Kingdom Registered Trade Mark No. 2154349 (“the Tile Mark”) registered in respect of “computer game adaptations of board games” in Class 9, “board games” in Class 28 and “organisation of competitions and exhibitions, all relating to board games” in Class 41 on 1 December 2000 with effect from 23 December 1997. The Tile Mark is represented as follows:



THE MARK CONSISTS OF A THREE-DIMENSIONAL IVORY-COLOURED TILE
ON THE TOP SURFACE OF WHICH IS SHOWN
A LETTER OF THE ROMAN ALPHABET
AND A NUMERAL IN THE RANGE 1 TO 10

2. The Defendant (“Zynga”) contends that the Tile Mark is invalidly registered since it does not comply with Article 2 of European Parliament and Council Directive 2008/95/EC of 22 October 2008 to approximate the laws of the Member States relating to trade marks (codified version) (“the Directive”). By the present application Zynga seeks summary judgment on that part of its counterclaim in these proceedings.

Background

3. The Claimants (“Mattel”) are the owners of the intellectual property rights associated with the well-known game SCRABBLE outside the USA and Canada. Mattel contend that the exploitation by Zynga of a digital game called SCRAMBLE (according to Mattel) or SCRAMBLE WITH FRIENDS (according to Zynga) infringes four registered trade marks, of which the Tile Mark is one.
4. On 30 March 2012 Mattel commenced these proceedings and applied for an expedited trial. That application was refused by Henderson J on 4 May 2012 ([2012] EWHC 1374 (Ch)). Henderson J gave directions for the conduct of the action, pursuant to

which the trial has subsequently been fixed for 13 May 2013. On 22 May 2012 Zynga served its Defence and Counterclaim. On 22 June 2012 Mattel served Amended Particulars of Claim. On 2 July 2012 Zynga served an Amended Defence and Counterclaim. On 11 July 2012 Mattel served its Reply and Defence to Counterclaim.

5. On 27 September 2012 Mattel applied for permission to conduct three surveys each involving up to 500 respondents. The stimulus to be used in one of these surveys is a tile which Mattel contend has been made in accordance with a specification corresponding to the Tile Mark. Mattel requested that they should have from mid-October 2012 to 1 February 2013 to conduct, consider and disclose the results of the surveys. On 17 October 2012 Master Bragge granted Mattel the permission sought (he did not, of course, have the benefit of the recent decision of the Court of Appeal in *Marks and Spencer plc v Interflora Inc* [2012] EWCA Civ 1501).
6. On 18 October 2012 (i.e. the day after the hearing before Master Bragge) Zynga's solicitors wrote to Mattel's solicitors stating that Zynga intended to make the present application. The application was duly launched on 26 October 2012. Zynga says that the reason for making this application now, rather than leaving the issue to trial, is to avoid costs being wasted, in particular on the survey.
7. On 12 November 2012 Mattel served Re-Amended Particulars of Claim. Witness statements are due to be exchanged on 18 January 2013, save for those arising out of Mattel's surveys, which are due to be served on 1 March 2013. Experts' reports are due to be exchanged on 1 February 2013. The trial is currently estimated to last 4-5 days.

Principles applicable to summary judgment applications

8. There is no dispute about these. They were conveniently summarised by Lewison J (as he then was) in the contexts of defendants' applications in *Easyair Ltd v Opal Telecom Ltd* [2009] EWHC 339 (Ch) at [15]:

“As Ms Anderson QC rightly reminded me, the court must be careful before giving summary judgment on a claim. The correct approach on applications by defendants is, in my judgment, as follows:

- i) The court must consider whether the claimant has a ‘realistic’ as opposed to a ‘fanciful’ prospect of success: *Swain v Hillman* [2001] 2 All ER 91;
- ii) A ‘realistic’ claim is one that carries some degree of conviction. This means a claim that is more than merely arguable: *ED & F Man Liquid Products v Patel* [2003] EWCA Civ 472 at [8].
- iii) In reaching its conclusion the court must not conduct a ‘mini-trial’: *Swain v Hillman*.
- iv) This does not mean that the court must take at face value and without analysis everything that a claimant

says in his statements before the court. In some cases it may be clear that there is no real substance in factual assertions made, particularly if contradicted by contemporaneous documents: *ED & F Man Liquid Products v Patel* at [10].

- v) However, in reaching its conclusion the court must take into account not only the evidence actually placed before it on the application for summary judgment, but also the evidence that can reasonably be expected to be available at trial: *Royal Brompton Hospital NHS Trust v Hammond (No 5)* [2001] EWCA Civ 550.
- vi) Although a case may turn out at trial not to be really complicated, it does not follow that it should be decided without the fuller investigation into the facts at trial than is possible or permissible on summary judgment. Thus the court should hesitate about making a final decision without a trial, even where there is no obvious conflict of fact at the time of the application, where reasonable grounds exist for believing that a fuller investigation into the facts of the case would add to or alter the evidence available to a trial judge and so affect the outcome of the case: *Doncaster Pharmaceuticals Group Ltd v Bolton Pharmaceutical Co 100 Ltd* [2007] FSR 63.
- vii) On the other hand it is not uncommon for an application under Part 24 to give rise to a short point of law or construction and, if the court is satisfied that it has before it all the evidence necessary for the proper determination of the question and that the parties have had an adequate opportunity to address it in argument, it should grasp the nettle and decide it. The reason is quite simple: if the respondent's case is bad in law, he will in truth have no real prospect of succeeding on his claim or successfully defending the claim against him, as the case may be. Similarly, if the applicant's case is bad in law, the sooner that is determined, the better. If it is possible to show by evidence that although material in the form of documents or oral evidence that would put the documents in another light is not currently before the court, such material is likely to exist and can be expected to be available at trial, it would be wrong to give summary judgment because there would be a real, as opposed to a fanciful, prospect of success. However, it is not enough simply to argue that the case should be allowed to go to trial because something may turn up which would have a bearing on the question of construction: *ICI Chemicals &*

Polymers Ltd v TTE Training Ltd [2007] EWCA Civ 725.”

9. This summary was cited with approval by Etherton LJ (with whom Sullivan LJ and Wilson LJ, as he then was, agreed) in *AC Ward & Son v Catlin (Five) Ltd* [2009] EWCA Civ 1098, [2010] Lloyds Rep IR 301 at [24].

The requirements of Article 2

10. Article 2 of the Directive provides:

“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 of their packaging, provided that such signs are capable of distinguishing the goods or services of one undertaking from those of other undertakings.”

Article 2 is implemented in the UK by section 1(1) of the Trade Marks Act 1994. Article 4 of Council Regulation 207/2009/EC of 26 February 2009 on the Community trade mark (codified version) corresponds to Article 2 of the Directive.

11. The case law of the Court of Justice of the European Union establishes that, in order to comply with Article 2, the subject matter of an application or registration must satisfy three conditions. First, it must be a sign. Secondly, that sign must be capable of being represented graphically. Thirdly, the sign must be capable of distinguishing the goods or services of one undertaking from those of other undertakings. See Case C-104/01 *Libertel Groep BV v Benelux-Merkenbureau* [2003] ECR I at [23], Case C-49/02 *Heidelberger Bauchemie GmbH* [2004] ECR I-6129 at [22] and Case C-321/03 *Dyson v Registrar of Trade Marks* [2007] ECR I-687 at [28]. It is clear that these conditions are cumulative.

The first condition

12. In Case C-273/00 *Sieckmann* [2002] ECR I-11754 the CJEU held at [44]-[45] that the list of examples of signs in Article 2 is not exhaustive, and therefore a trade mark may consist of a sign which is not itself capable of being perceived visually, provided that it can be represented graphically. Accordingly, an odour is a sign. The same applies to sounds: see Case C-283/01 *Shield Mark BV v Josst Kist h.o.d.n. Memex* [2003] ECR I-14329 at [35]-[37].
13. The CJEU has also held that both (i) a single colour which is not spatially defined and (ii) a combination of colours which is not spatially delimited are capable of being a sign: see *Libertel* and *Heidelberger Bauchemie*.
14. In relation to a single colour, the CJEU said in *Libertel* at [27]:

“... a colour *per se* cannot be presumed to constitute a sign. Normally a colour is a simple property of things. Yet it may constitute a sign. That depends on the context in which the

colour is used. None the less, a colour *per se* is capable, in relation to a product or service, of constituting a sign.”

15. In *Heidelberger Bauchemie* the applicant had applied to register a mark which was represented by a rectangular piece of paper, the upper half of which was blue and the lower half of which was yellow, and which was described as follows:

“The trade mark applied for consists of the applicant’s corporate colours which are used in every conceivable form, in particular on packaging and labels.

The specification of the colours is:

RAL 5015/HKS 47 – blue

RAL 1016/HKS 3 – yellow”.

16. The CJEU dealt with the first condition as follows:

“23. As the Court has already held, colours are normally a simple property of things (*Libertel*, paragraph 27). Even in the particular field of trade, colours and combinations of colours are generally used for their attractive or decorative powers, and do not convey any meaning. However, it is possible that colours or combinations of colours may be capable, when used in relation to a product or a service, of being a sign.

24. For the purposes of the application of Article 2 of the Directive, it is necessary to establish that in the context in which they are used colours or combinations of colours which it is sought to register in fact represent a sign. The purpose of that requirement is in particular to prevent the abuse of trademark law in order to obtain an unfair competitive advantage.”

17. It appears from the judgment that the CJEU regarded the fact that the mark consisted of colours “which are used in every conceivable form” as an issue to be addressed in the context of the second condition (as to which, see below), rather than in context of the first condition.

18. In *Dyson* the applicant had applied to register the following mark:

The mark consists of a transparent bin or collection chamber forming part of the external surface of a vacuum cleaner as shown in the representation,



The mark consists of a transparent bin or collection chamber forming part of the external surface of a vacuum cleaner as shown in the representation,



19. The CJEU noted in its judgment that:

“19. As Dyson has stated on a number of occasions both in its written observations and at the hearing, and as the national court itself noted in its order for reference, the application does not seek to obtain registration of a trade mark in one or more particular shapes of transparent collecting bin – the shapes represented graphically on the application form being only examples of such a bin – but rather to obtain registration of a trade mark in the bin itself. It is, moreover, common ground that those marks consist not of a particular colour, but rather in the absence of any particular colour, namely transparency, which enables the consumer to see how much dust has been collected in the collecting bin and to know when the bin is full.

20. It follows that the trade mark application in the main proceedings covers all the conceivable shapes of a transparent collecting bin forming part of the external surface of a vacuum cleaner.”

20. The Court held that this did not satisfy the first condition for the following reasons:

“33. ... if that condition is not to be deprived of all substance, it cannot be accepted that the subject-matter of any trade mark application necessarily constitutes a sign within the meaning of Article 2 of the Directive.

34. As the Court has held previously, the purpose of that requirement is in particular to prevent the abuse of trade mark law in order to obtain an unfair competitive advantage (*Heidelberger Bauchemie*, paragraph 24).
35. In the present case, it is common ground that the subject-matter of the application in the main proceedings is not a particular type of transparent collecting bin forming part of the external surface of a vacuum cleaner, but rather, in a general and abstract manner, all the conceivable shapes of such a collecting bin.
36. In that regard, Dyson cannot maintain that the subject-matter of its application in the main proceedings is capable of being perceived visually. What consumers can identify visually is not so much the subject-matter of the application as two of Dyson's graphic representations as contained in the application. Those representations cannot be assimilated to the subject-matter of the application because, as pointed out by Dyson on a number of occasions, they are merely examples of it.
37. It follows that, unlike the applications which gave rise to the judgments in *Sieckmann* and *Shield Mark*, the subject-matter of the application in the main proceedings is capable of taking on a multitude of different appearances and is thus not specific. As pointed out by the Advocate General in point 51 of his Opinion, the shape, the dimensions, the presentation and composition of that subject-matter depend both on the vacuum cleaner models developed by Dyson and on technological innovations. Likewise, transparency allows for the use of various colours.
38. Given the exclusivity inherent in trade mark right, the holder of a trade mark relating to such a non-specific subject-matter would obtain an unfair competitive advantage, contrary to the purpose pursued by Article 2 of the Directive, since it would be entitled to prevent its competitors from marketing vacuum cleaners having any kind of transparent collecting bin on their external surface, irrespective of its shape.
39. It follows that the subject-matter of the application at issue in the main proceedings is, in actual fact, a mere property of the product concerned and does not therefore constitute a 'sign' within the meaning of Article 2 of the Directive (see, to that effect, *Libertel*, paragraph 27).
40. Accordingly, the answer to be given to the national court must be that Article 2 of the Directive is to be interpreted as meaning that the subject-matter of an application for trade mark registration, such as that lodged in the main proceedings,

which relates to all the conceivable shapes of a transparent bin or collection chamber forming part of the external surface of a vacuum cleaner, is not a ‘sign’ within the meaning of that provision and therefore is not capable of constituting a trade mark within the meaning thereof. ”

The second condition

21. In *Sieckmann* the CJEU explained what was required by the second condition as follows:

- “46. That graphic representation must enable the sign to be represented visually, particularly by means of images, lines or characters, so that it can be precisely identified.
- 47. Such an interpretation is required to allow for the sound operation of the trade mark registration system.
- 48. First, the function of the graphic representability requirement is, in particular, to define the mark itself in order to determine the precise subject of the protection afforded by the registered mark to its proprietor.
- 49. Next, the entry of the mark in a public register has the aim of making it accessible to the competent authorities and the public, particularly to economic operators.
- 50. On the one hand, the competent authorities must know with clarity and precision the nature of the signs of which a mark consists in order to be able to fulfil their obligations in relation to the prior examination of registration applications and to the publication and maintenance of an appropriate and precise register of trade marks.
- 51. On the other hand, economic operators must, with clarity and precision, be able to find out about registrations or applications for registration made by their current or potential competitors and thus to receive relevant information about the rights of third parties.
- 52. If the users of that register are to be able to determine the precise nature of a mark on the basis of its registration, its graphic representation in the register must be self-contained, easily accessible and intelligible.
- 53. Furthermore, in order to fulfil its role as a registered trade mark a sign must always be perceived unambiguously and in the same way so that the mark is guaranteed as an indication of origin. In the light of the duration of a mark's registration and the fact that, as the Directive provides, it can be renewed for varying periods, the representation must be durable.

54. Finally, the object of the representation is specifically to avoid any element of subjectivity in the process of identifying and perceiving the sign. Consequently, the means of graphic representation must be unequivocal and objective.
55. In the light of the foregoing observations, the answer to the first question must be that Article 2 of the Directive must be interpreted as meaning that a trade mark may consist of a sign which is not in itself capable of being perceived visually, provided that it can be represented graphically, particularly by means of images, lines or characters, and that the representation is clear, precise, self-contained, easily accessible, intelligible, durable and objective.”
22. The Court went on to hold at [69]-[73] that none of the methods of graphical representation of an olfactory sign proposed in that case – a chemical formula, a description in words, the deposit of a sample and a combination of those methods - satisfied these requirements.
23. In *Libertel* the CJEU held at [30]-[38] that, in the case of a colour *per se*, the requirements that the representation be clear, precise, self-contained, easily accessible, intelligible, durable and objective could not be satisfied merely by providing a sample of the colour on a flat surface, but might be satisfied either by including a description of the colour in words or, more readily, by designating the colour using an internationally recognised identification code.
24. In *Shield Mark* the CJEU held at [57]-[63] that these requirements were not satisfied by written descriptions such as “the first nine notes of ‘Für Elise’ or “a cockcrow”, nor by an onomatopoeia, but were satisfied by a full musical score written in conventional notation.
25. In *Heidelberger Bauchemie* the CJEU held that the mark applied for did not satisfy these requirements for the following reasons:
- “33. Accordingly, a graphic representation consisting of two or more colours, designated in the abstract and without contours, must be systematically arranged by associating the colours concerned in a predetermined and uniform way.
34. The mere juxtaposition of two or more colours, without shape or contours, or a reference to two or more colours ‘in every conceivable form’, as is the case with the trade mark which is the subject of the main proceedings, does not exhibit the qualities of precision and uniformity required by Article 2 of the Directive, as construed in paragraphs 25 to 32 of this judgment.
35. Such representations would allow numerous different combinations, which would not permit the consumer to perceive and recall a particular combination, thereby enabling him to repeat with certainty the experience of a purchase, any

more than they would allow the competent authorities and economic operators to know the scope of the protection afforded to the proprietor of the trade mark.”

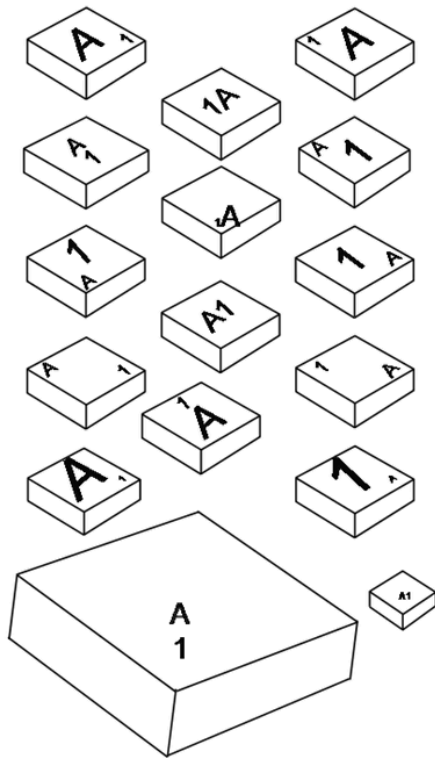
26. The need for clarity and precision has recently been re-iterated by the CJEU in the related context of specifications of goods and services: see C-307/10 *Chartered Institute of Patent Attorneys v Registrar of Trade Marks* [2012] ECR I-0000, [2012] ETMR 42 at [46]-[49].

The third condition

27. It is not necessary to discuss this in detail for the purposes of the present application. It is sufficient to note that a sign is only incapable of distinguishing the goods or services of one undertaking from those of other undertakings for the purposes of Article 2 if it is incapable of distinguishing the former from the latter irrespective of the goods or services in relation to which it may be used: see Case C-363/99 *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* [2004] ECR I-1619 at [80]-[81].

Summary of the parties’ arguments

28. Zynga contends that the Tile Mark does not comply with either the first condition or the second condition for the following reasons:
- i) the Tile Mark covers an infinite number of permutations of different sizes, positions and combinations of letter and number;
 - ii) the Tile Mark does not identify the precise shape of the tile, in particular the extent to which the corners are rounded, or its dimensions;
 - iii) the colour “ivory” is not sufficiently precisely specified.
29. As counsel for Zynga explained, for the purposes of the present application, Zynga primarily relies on reason (i), and it does not rely upon reasons (ii) or (iii) independently of reason (i). Reasons (i) and (ii) are conveniently exemplified by the following illustration, using just the combination of upper case A and numeral 1, which was contained in Zynga’s evidence:



30. In support of the contention that the Tile Mark does not comply with the first condition, counsel for Zynga particularly relied on the passage from *Dyson* which I have set out in paragraph 20 above. In support of the contention that the Tile Mark does not comply with the second condition, counsel for Zynga particularly relied on the passage from *Heidelberger Bauchemie* which I have set out in paragraph 25 above.
31. Counsel for Mattel's submissions may be summarised in the following propositions:
 - i) It can be seen from the jurisprudence of the CJEU that the three conditions are not independent, but inter-related.
 - ii) If it can be demonstrated that the subject matter of an application or registration has distinctive character, then not only does that show that the third condition must be satisfied, but also it at least assists the applicant or proprietor to show that the first and second conditions are satisfied. In support of this proposition, counsel for Mattel relied in particular on the passages from *Libertel* and *Heidelberger Bauchemie* that I have set out in paragraphs 14 and 16 above, on the recent decision of His Honour Judge Birss QC sitting as a Judge of the High Court in *Société des Produits Nestlé SA v Cadbury UK Ltd* [2012] EWHC 2637 (Ch) and on *Kerly's Law of Trade Marks and Trade Names* (15th ed) at §2-049.
 - iii) Mattel has a realistic prospect of establishing that the Tile Mark has acquired a distinctive character through use, as evidenced by (a) the fact that the Registrar of Trade Marks accepted the Tile Mark for registration on the basis of acquired distinctiveness, (b) the fact that Master Bragge gave Mattel permission to carry

out a survey with a view to establishing distinctive character and (c) the evidence of distinctiveness filed by Mattel on the present application.

32. Counsel for Zynga did not dispute that the first and second conditions were related, but he disputed that there was a relationship between those conditions and the third condition and he particularly disputed proposition (ii). As for proposition (iii), he accepted that the question of whether the Tile Mark had acquired a distinctive character required a factual investigation and therefore was unsuitable for determination on this application.

Analysis

The relevance of distinctiveness

33. In my view the main issue on this application is the correctness of counsel for Mattel's proposition (ii). It is therefore necessary to consider the authorities he relied upon in support of that proposition.
34. So far as *Libertel* and *Heidelberger Bauchemie* are concerned, it became clear during the course of argument that the key question is what the CJEU meant by "the context in which the colour is used" in *Libertel* at [27] and "the context in which they [*sc.* the colours] are used" in *Heidelberger Bauchemie* at [24]. Counsel for Mattel submitted that this meant the context in which the mark was actually used by the applicant or proprietor in trade, whereas counsel for Zynga submitted that this must mean the context of the application or registration. I agree with counsel for Zynga, since (at least in theory) the mark may not have been used at the application date. Furthermore, as is pointed out in *Kerly* at §2-034, such a mark cannot be limited to particular examples of use or proposed use put forward by the applicant or proprietor. I would add, however, that, since the context of the application or registration includes the goods or services specified in the application or registration, it includes the context provided by those goods or services. The hearing officer in *Nestlé v Cadbury* gave a good example of this, which Judge Birss referred to with approval at [28], namely that brown would not qualify as a sign in relation to chocolate because it is the natural colour of the goods.
35. *Nestlé v Cadbury* was an appeal by Nestlé from a decision of Allan James acting on behalf of the Registrar of Trade Marks substantially rejecting Nestlé's opposition to Cadbury's application to register a mark represented by a purple rectangle and described as follows:
- "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."
36. The hearing officer found that the mark applied for had acquired a distinctive character in relation to certain goods, such as "chocolate in bar and tablet form". On appeal Nestlé did not challenge these findings. Instead, it contended that the mark applied for did not satisfy either the first or the second condition in Article 2, in particular because of the uncertainty in the requirement that the colour purple should

be “the predominant colour” applied to the surface of the packaging. Judge Birss rejected these contentions.

37. At [21] he posed the question he had to decide in these terms:

“Can Cadbury, even if they have shown that the public associate the colour purple with Cadbury's chocolate, obtain a trade mark registration for that colour *per se*?”

38. Having considered *Sieckmann*, *Libertel*, *Heidelberger Bauchemie* and *Dyson* and certain other authorities at [22]-[40], he turned to consider five arguments advanced by counsel for Nestlé. Arguments (iv) and (v) were that a spatial delimitation was necessary and that the hearing officer had misapplied the concept of “context” in *Libertel*. Judge Birss rejected these arguments for reasons which he expressed at [45] as follows:

“Plainly *Libertel* did not decide that a ‘non-spatially delimited’ colour mark that specified a Pantone shade would in all cases satisfy Art. 2 of the Directive. But the court did decide the matter of principle that a colour itself was capable of satisfying Art. 2. Once the principle is established that a colour can satisfy Art. 2 the question becomes one of fact to decide whether in a given case it does so. But in this case Nestlé accept Mr James' finding on the evidence that the colour purple is distinctive of Cadbury for chocolate *per se*. ... In my judgment *Heidelberger* does not assist Nestlé, it assists Cadbury. I reject points (iv) and (v). They are contrary to *Libertel*.”

39. Having considered the other three arguments, Judge Birss concluded as follows:

“63. Since single colours *per se* are, as a matter of European law, capable of being signs within Art. 2 (i.e. they are capable of being a sign, capable of being represented graphically and capable of distinguishing) then, to paraphrase a little the words Cadbury have used in the description of the mark, in my judgment *the colour purple (Pantone 2685C) applied to the whole visible surface, or being the predominant colour applied to the whole visible surface, of the packaging of chocolate*, is capable of being a sign within Art. 2.

64. The answer to the question I posed at the outset is clear on the basis of the current state of European law. Since on the evidence the public associate the colour purple itself with Cadbury's chocolate, Cadbury are entitled to a registered trade mark for that colour on the relevant goods and that is the mark they have applied for. Mr James was right to find that the mark satisfied Art. 2. I will dismiss this part of the appeal.”

40. Counsel for Mattel submitted that the manner in which Judge Birss posed the question at [21], his reasoning at [45] and the manner in which he answered the question at [64] all showed that he considered that the finding that the mark applied for was

distinctive was relevant to the issues as to whether it satisfied the first and second conditions.

41. I do not accept that submission, for three reasons. First, I consider that in posing, considering and answering the question in the way that he did, Judge Birss was reflecting the case advanced by Nestlé, which did not challenge the hearing officer's findings of distinctiveness.
42. Secondly, the high point of counsel's submission is the sentence starting "But in this case" in [45]. In my judgment, however, that sentence was not essential to Judge Birss's reasoning even in that paragraph. Furthermore, by that point in his judgment, Judge Birss had already endorsed the hearing officer's approach to the question of context.
43. Thirdly, the essence of Judge Birss' reasoning for reaching the conclusion that he did was that the mark satisfied the criteria laid down in *Libertel*. This can be seen perhaps most clearly from the way in which he dealt with one of Nestlé's main arguments, which was that the words "being the predominant colour" were subjective and uncertain. He rejected this argument for reasons which he expressed at [58] as follows:

"... I agree with Mr James [who had said that these words required a decision taker to make a judgment, but that that judgment did not present more difficulty than other judgments required to be made in relation to infringement]. In my judgment the word predominant used in this way in this mark does not introduce any more vagueness or 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. ..."

44. Turning to *Kerly*, the paragraph relied upon by counsel for Mattel forms part of the discussion of the requirement for graphical representation. It reads as follows (footnotes omitted):

"The requirements that the sign must be 'precisely identified' and the graphical representation must be 'precise' and 'unequivocal' are capable of being taken too far. The underlying policy reasons do not require every mark on the register to be defined with absolute precision. The degree of precision required must depend on the mark itself and its distinctive character. For any mark, there is a degree of permissible variation in its graphical representation. Consider a word-only registration. The graphical representation is the word in capitals in plain type. Such a registration covers the word in a very wide range of typefaces. The variation in presentation is permissible because the distinctive character of the mark resides in the word itself and that does not change. A different type of permissible variation is seen in hologram or 'movement' marks - see below. There are other marks where

the degree of permissible variation is going to be very small indeed if not practically non-existent. It may well prove easier to justify permissible variation where the variation occurs in the actual use made of the mark, so that it can be seen and/or proved that the public see the same mark. In many cases, this notion of permissible variation has to be expressed in a series of images or marks, but, we suggest, not invariably.”

45. Counsel for Mattel particularly emphasised the statement that “[t]he degree of precision required must depend on the mark itself and its distinctive character”. Counsel for Zynga (the lead editor of *Kerly*) submitted that this statement was inaccurate in so far as it included the words “and its distinctive character” and was unsupported by the remainder of the paragraph. I agree. In the case of a word, there can be no doubt that it is a sign and capable of being represented graphically. This is completely unaffected by how distinctive the word is. Thus the word SOAP is a sign capable of being represented graphically even though it is devoid of distinctive character in relation to soap. The point which *Kerly* goes on to make is a different one, namely that because the mark consists of the word itself, changes in the graphical representation of it do not alter its distinctive character. As *Kerly* correctly says, there may be an issue with regard to the graphical representation of hologram or movement marks; but that does not depend on their distinctiveness.
46. Thus the authorities relied on by counsel for Mattel do not support his proposition (ii). Furthermore, the decision of the CJEU in *Dyson* is authority to the contrary, since the question which Patten J (as he then was) referred to the Court concerned the acquisition of distinctive character by the mark applied for, yet the Court held that it was not necessary to consider that question since the mark did not comply with Article 2. Accordingly, it would not assist Mattel to show that the Tile Mark satisfies the first and second conditions for Mattel to establish that it has acquired a distinctive character, even if that were possible, bearing in mind that Mattel would have to establish distinctive character across the breadth of the definition of the Tile Mark.

The first condition

47. In my judgment the Tile Mark does not comply with the first condition for the following reasons. As Zynga rightly contends, the Tile Mark covers an infinite number of permutations of different sizes, positions and combinations of letter and number on a tile. Furthermore, it does not specify the size of the tile. Nor is the colour precisely specified. In short, it covers a multitude of different appearances of tile. It thus amounts to an attempt to claim a perpetual monopoly on all conceivable ivory-coloured tile shapes which bear any letter and number combination on the top surface. In my view that is a mere property of the goods and not a sign. To uphold the registration would allow Mattel to obtain an unfair competitive advantage.

The second condition

48. Even if the Tile Mark complies with the first condition, in my judgment it does not comply with the second condition since the representation is not clear, precise, intelligible or objective. As discussed above, the representation covers a multitude of different combinations. It does not permit the average consumer to perceive any specific sign. Nor does it enable either the competent authorities or competitors to

determine the scope of protection afforded to the proprietor, other than that it is very broad.

Conclusion

49. For the reasons given above, I conclude that it is clear that the Tile Mark does not satisfy the first and second conditions imposed by Article 2 of the Directive. Mattel have no real prospect of successfully arguing to the contrary.
50. Counsel for Mattel did not argue that, if I reached that conclusion, there was some other compelling reason why this aspect of Zynga's counterclaim should be disposed of at trial. In any event, in my judgment it is appropriate to grant summary judgment now in order to avoid further costs being wasted on the factual investigation as to whether the Tile Mark has acquired a distinctive character.