

TRADE MARKS & BRANDS

TRADE MARK INFRINGEMENT AND PASSING OFF:

WHIRLPOOL CORPORATION AND OTHERS V

KENWOOD LIMITED

*By Nathan Smith**

In a case¹ which will have significant implications for the scope of protection provided by shape trade marks, Mr Geoffrey Hobbs QC, sitting as a Deputy High Court Judge, held that there had been no trade mark infringement or passing off by Kenwood against Whirlpool in relation to the sale by Kenwood of its new kitchen mixer, the Kenwood kMix.

BACKGROUND

Kenwood and Whirlpool are the two major players in the UK stand mixer market and their combined market share makes up approximately ninety-five percent of the market. The design and sale of the kMix by Kenwood was led by the desire of Kenwood to move into the premium price/design led sector of the market. Prior to the launch of the kMix, the KitchenAid Artisan (a Whirlpool mixer) was the only kitchen mixer available in this sector and Kenwood hoped that the kMix would also appeal to consumers who were looking for aesthetic value in their mixer and were prepared to pay £350 for it. Witness evidence provided by Kenwood made it clear that the aim of the kMix was to compete directly with the Artisan, and as best described by Mr Hobbs, “Kenwood undoubtedly had the KitchenAid Artisan mixer in its sights at all material stages of the process leading up to the finalisation of the design of the kMix.”

KitchenAid mixers of substantially the same shape and appearance as the Artisan have been sold in the U.S. for more than seventy years. Small changes to the design were made in the 1950s and it was renamed the Artisan in 2004. The Artisan has been sold in the UK since 1994 (Whirlpool claimed to have seen records of sales in the UK going back to 1989, but they could not provide any evidence to support this). The Artisan is widely regarded as an iconic design and it has been displayed in numerous museums.

Whirlpool is the owner of a registered trade mark (Trade Mark) for the shape of the Artisan in class 7 and brought proceedings for trade mark infringement under Article 9(1)(b) and 9(1)(c) of the Community

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1. *Whirlpool Corporation, Whirlpool Properties Inc and KitchenAid Europa Inc v Kenwood Limited* [2008] EWHC 1930 (Ch).

Trade Mark Regulation (Regulation). The verbal description of the Trade Mark is as follows: “[t]he mark consists of a fanciful electric beating and mixing machine configuration upon which the word KitchenAid appears.” Prior to the application to register the Trade Mark, Whirlpool had applied to the Office of Harmonization for the Internal Market (OHIM) to register a very similar three dimensional trade mark. The significant difference between the two applications was that the earlier application comprised just the shape of the Artisan without the “KitchenAid” brand included on it. The application was refused by OHIM under Article 7(1)(b) of the Regulation as the shape as a whole was devoid of distinctive character.

PUBLIC SURVEY EVIDENCE

In the course of preparing for the case, a number of public surveys (witness gathering exercises) were carried out by Whirlpool. Members of the public were shown one of four flashcards which featured a photograph of the kMix on it and were asked a number of questions set out in a related questionnaire. Whirlpool was hoping to elicit responses which would refer to KitchenAid and which would therefore highlight the alleged similarity between the kMix and the Artisan and the distinctiveness of the Artisan. Those individuals who gave responses which supported Whirlpool’s case were then asked to visit the offices of Whirlpool’s solicitors for a further interview with a view to giving evidence at trial. At the solicitors’ offices they were also involved in an exercise whereby they went into a room where there were three boxes. One of the boxes was then removed to reveal a debranded red Artisan, the second box was then removed to reveal two kMix mixers, one in red and one in white, and the third box was removed to reveal two branded Artisans, one in red and one in white. Numerous pre-prepared questions were put to the interviewees during this process. In all, 660 questionnaires were carried out by Whirlpool and witness statements for use at trial were obtained from twenty-three individuals. The majority of the questionnaires were carried out at the BBC Good Food Show. Four students from Leiths School of Food and Wine were interviewed and the rest of the survey was carried out at different locations in West London and *via* a phone process. Whirlpool claimed litigation privilege in respect of this part of their preparation for the case and they did not try to rely on the results of the witness gathering exercise to demonstrate any statistical significance.

In assessing the survey evidence, Mr Hobbs stated that, “[t]he need for circumspection in the assessment of questionnaire survey evidence is well-understood.” Relying on the judgment in the Australian case of *Arnotts Ltd v Trade Practices Commission*,² Mr Hobbs stated that if the research work provides no sufficient or proper basis for extrapolation, the responses of individual interviewees can really only be taken into account

2. *Arnotts Ltd v. Trade Practices Commission* (1990) 97 ALR 555.

for what they may individually be thought to be worth. In that case, just as in this case, the majority of the witnesses were stopped in a public place and asked a series of questions. The ones which gave favourable evidence to the claimant's case were asked to give evidence; those who did not were not. The Australian court deemed that "[a]s a result, the evidence of those persons was of negligible value." It went on to say that the witnesses were not a fair sample of the general public and that the "tender of such partisanly selected evidence was an absurdity."

In considering Whirlpool's decision not to rely on the results of the exercise as a survey, Mr Hobbs went on to say that "it is unrealistic to suppose that the evidence of survey respondents can be divorced from the context of the survey to which they were subjected simply by classifying the survey as a 'witness gathering exercise' and that the evidence given by survey respondents should normally be evaluated in the context of the 'witness gathering exercise' as whole."

Whirlpool used four flash cards in the witness gathering exercise. Each was quite small and only one clearly featured the Kenwood trade mark on the kMix.

Mr Hobbs also criticised the answers used in relation to flash cards 2 and 3 (623 of the 660 interviewees were questioned using either flash card 2 or 3) by saying that the answers elicited by these questions were likely to be inconclusive for a number of reasons. He said that, "there was a risk that the first question [What can you tell me about this product?] would be taken to imply that '*this product*' was one which the interviewee was able from experience to '*tell me about*' thus nudging interviewees into thinking and speaking of it as a product that was known rather than unknown to them." As the interviewees were not asked if they were familiar with the shape or appearance of the kMix or the Artisan, Mr Hobbs stated that no relevant trends or patterns could be identified in the answers provided without that information.

EXPERT EVIDENCE

Both sides relied upon expert evidence in relation to the goodwill and reputation of the brands and products in issue and the impact of the kMix. However, referring to the Court of Appeal's recent decision in the *Esure* case,³ Mr Hobbs stated that the issue of customer confusion was not properly to be regarded as a matter for expert evidence in cases involving the marketing of ordinary goods and services. Whirlpool's expert witness was an expert in marketing and brand consultancy, but he had no expertise in kitchen mixers. On the other hand, Kenwood's expert witness had spent her entire working life in the kitchen machine market and had significant expertise in understanding the buying patterns of consumers and the importance of branding and design.

3. *Esure Insurance Ltd v. Direct Line Insurance Plc* [2008] EWCA Civ 842.

Whirlpool's expert was particularly criticised by Mr Hobbs for focusing solely on the similarities between the kMix and the Artisan and overlooking the differences. In fact, Mr Hobbs went on to say that it appeared that Whirlpool's expert was "endeavouring to collate information and develop arguments in support of Whirlpool's case." Mr Hobbs finished by saying that he intended to regard Whirlpool's expert evidence as "search supplemented advocacy for Whirlpool and nothing more."

In respect of Kenwood's expert witness Mr Hobbs said "I take note of what she said, without regarding it as decisive of the issues I must determine from the perspective of the average consumer."

DISTINCTIVENESS & SIMILARITY

Mr Hobbs believed that there were "not an insubstantial amount of design conscious consumers" in the UK who would view the finished appearance of the Artisan as indicating its trade origin even without the presence of the KitchenAid word mark. Whirlpool had argued that the question of infringement should be judged through the eyes of design conscious consumers. Conversely, Kenwood had argued that the assessment should be made by reference to the average consumer in the market for each of the different "electric and beating machines" covered by the Trade Mark registration. In citing the European Court of Justice (ECJ) in *O2*⁴ Mr Hobbs sided with Whirlpool, stating that, "[t]he Artisan and the kMix are both premium priced products targeted at design conscious consumers. It follows, in my view that the question of liability for infringement can properly be determined by taking the presumed expectations of such consumers into account."

Mr Hobbs thought that the kMix was similar to the Artisan, but he did not believe that there was enough similarity so that the average consumer would believe that one is the other. He commented that when consumers are aware that the product they are looking at is not the product it reminds them of, they would look at the "badges of origin in the form of the word and device marks conventionally used in relation to the products for the purposes of source identification." This reflected the position put forth in earlier case law that average consumers are not in the habit of making assumptions about the trade origin of products on the basis of their shape or the shape of their packaging in the absence of any word or graphic element. Mr Hobbs did not believe that anyone could spend £300 by buying either the kMix or the Artisan without being aware of its trade origin and could therefore see no likelihood of confusion during the process leading from selection through to purchase of the kMix.

4. C-533/06 *O2 Holdings v Hutchison 3G UK Ltd* [2008] ECR I-00000.

BAIT & SWITCH

Mr Hobbs also considered whether there would be infringement by Kenwood under Article 9(1)(b) of the Regulation to the extent that consumers were initially confused as to the origin of the kMix because of its shape, such confusion disappearing once they had seen the Kenwood branding after they had “gone down the road of selection with a view to purchase.” Case law shows that claims can be successful on this “bait and switch” type of confusion, but Mr Hobbs held that there was no such confusion in this case. He held that there would have “been nothing more than an awareness that the product they are looking at is not the one it reminds them of.”

With no evidence of confusion Whirlpool’s claim under article 9(1)(b) was dismissed along with the claim for passing off.

ARTICLE 9(1)(C)

Kenwood had argued that one of the hurdles Whirlpool had to overcome in bringing this aspect of the claim was to show that the Trade Mark had a reputation throughout the Community as a whole or at least in a substantial part of it. Mr Hobbs, however, disagreed and stated that a Community Trade Mark should not receive less protection than a national mark with a reputation in the same territory. As Whirlpool undoubtedly had a reputation for the Trade Mark in the UK, this would be regarded as a substantial part of the Community.

To be successful under this provision, Whirlpool also had to show that there was a similarity between the Trade Mark and the kMix which establishes a link between the two in the minds of consumers, such link taking unfair advantage of, or being detrimental to, the distinctive character or repute of the Trade Mark. Mr Hobbs held that there was sufficient similarity between the bodywork of the kMix and the Artisan to remind people of the other whilst leaving them aware that the one they are looking at is not the one it reminds them of. From his own individual perspective, he regarded this as the kMix merely calling to mind the Artisan rather than establishing a link. Nevertheless, in light of the *O2* decision and the comments of Advocate General Sharpston in her Opinion in *Intel*,⁵ he had to agree that this was enough to establish a link. However, Hobbs felt that the link left the distinctive character and repute of the Trade Mark untouched. He said that it would be “excessive in the realm of product shapes to apply the concepts of ‘free riding’, ‘blurring’, ‘tarnishment’ or ‘dilution’ more generally so as to hold that the bodywork of the kMix was too close to the bodywork of the Artisan for the purposes of Article 9(1)(c).” Going on to consider the evidence that some consumers might choose the kMix because of its similarities to the

5. C-252/07 *Intel Corporation Inc v CPM United Kingdom Ltd* (Advocate General Sharpston, 26 June 2008).

Artisan Mr Hobbs stated that the “resemblance can have that effect without being objectionable from a trade mark point of view.”

CONCLUSION

With no evidence of actual confusion, despite the fact that the kMix had been on sale across Europe since Autumn 2007, Whirlpool’s claims of trade mark infringement under Article 9(1)(b) of the Regulation and passing off were always going to be difficult to make out. Whirlpool’s best chance of success came with their case of trade mark infringement under Article 9(1)(c), but Mr Hobbs’ decision not to adopt a wide interpretation of the protection provided by this Article to product shapes meant that the claim was destined to fail. The case is significant as it provides further guidance on the difficult questions raised by the developing area of law under Article 9(1)(c), and it has confined its scope in relation to the protection of product shapes.

The case also highlights the limitations of survey style evidence and the difficulties in carrying out an effective and worthwhile survey which the court will attach significant weight to. Given Mr. Hobbs’ findings, and the fact that the Court seems loath to view shapes as true badges of origin, the case also serves as a useful reminder that the best way of protecting rights in product shapes is likely to be by design right. However, for the purposes of this case, the period of protection under unregistered design rights had expired and there were no effective registered designs on which Whirlpool could rely.

