

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2115347 BY
THE CONSORTIUM OF BICYCLE RETAILERS LIMITED
TO REGISTER A SERIES OF MARKS
IN CLASSES 25 AND 35**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 47027
BY HALFORDS LIMITED**

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15 DECISION

On 11 November 1996 COBR (Consortium of Bicycle Retailers) (subsequently The Consortium of Bicycle Retailers Limited) applied to register the following as a series of two marks:

20 “Cycling IS ...”

**25 “Cycling
IS ...”**

30 in respect of specifications of goods and services which read

Class 25 - clothing, footwear and headgear

35 Class 35 - advertising, all relating to the cycling industry.

The application is numbered 2115347.

40 On 17 June 1997 Halfords Ltd filed notice of opposition to this application. In summary the grounds are:

- 45 (i) under Section 3(1)(b)(c) and (d) because they say the mark is devoid of distinctive character; that it may serve to designate the kind of goods supplied and that it consists exclusively of a sign which is customary in the current language of the trade**

- (ii) under Section 3(1)(a) in that it consists essentially of a slogan and is therefore not a trade mark within the definition of Section 1
- (iii) in the light also of (ii) above it is said that the applicants have no intention to use the mark as a trade mark and that the application was filed in bad faith contrary to Section 3(6)
- (iv) a further ground arises under Section 3(6) and (it is said) Section 5(4)(a) in that the opponents' trade mark attorneys say:

“We have been informed by Trade Mark Agents acting for the Applicants that in fact the Mark was conceived by an Officer of the Consortium of Bicycle Retailers Limited, which Company was incorporated on the 20 August 1996, ie. before the due date of the Application. In the light of that Officer's responsibilities as a Director of the Company, the Mark must be the property of the Company and the Company would own any Copyright in it.”

The applicants filed a counterstatement denying the above grounds. They also ask the Registrar to exercise discretion in their favour. As I have no such power to allow an application to proceed to registration where one or more grounds of objection are made out I need say no more about this request.

Both sides ask for an award of costs in their favour.

Only the opponents filed evidence. The matter came to be heard on 26 November 1999 when the applicants were represented by Mr S Walters of Trade Consultants Co and the opponents by Mr B Dunlop of Wynne-Jones, Laine & James.

Opponents' Evidence

The opponents filed statutory declarations by Brian Kenneth Charles Dunlop and Keith Roland Scott.

Mr Dunlop is the opponents' professional representative in trade mark matters.

He says that when the applied for mark was published he was instructed to write to the Consortium and he exhibits a copy of his letter of 2 June (BKCD1). He was telephoned the following day by Mr Laurie Sedman who introduced himself as being from the Consortium of Bicycle Retailers. In a subsequent telephone conversation on 3 June he says Mr Sedman began by saying that he had spoken with his partner. Mr Dunlop says it was never suggested that his firm's letter was misdirected nor that they should have been writing to a Limited Company. Mr Sedman later said he would have discussions with his “business partner”.

Mr Dunlop goes on to say:

“There is now produced and shown to be [sic] a Form TM21, dated 6 June 1997 asking that the Applicants name be corrected to The Consortium of Bicycle Retailers

Limited on the grounds that there was an inadvertent error in the Application form. Evidence was submitted establishing that there was a registered company with the name “The Consortium of Bicycle Retailers Limited”, but no evidence was submitted to show that this was in fact a correction. Only corrections are allowed under Section 39(2). It is certainly not self evident that the existence of an incorporated body rules out the existence of a trading partnership. Such an arrangement is in fact quite common either as a device to protect the name used by the trading partnership or for tax or other financial reasons”

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10 and

“From my conversations with Mr Sedman I was given the firm impression by him that he acted for the Consortium of Bicycle Retailers in partnership with another. There is now produced and shown to me marked BKCD.2 a letter from Trade Marks Consultants Co dated 6 June 1997. In this letter, in the second paragraph the Agents acting for the Consortium of Bicycle Retailers Limited state the Mark of the application was conceived and adopted by an officer of their client company. If that is the case, on the face of it the Limited Company is the owner of the Trade Mark and accordingly an Application in the partnership’s name was one made in bad faith, because the partnership was not the proprietor of the Mark. It is not apparent that this is an error. On the face of it the original Application was made intentionally in the name of the partnership.”

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Mr Scott is the General Manager of the Auto Leisure and Two Wheel Business Centre of Halfords Ltd. His evidence is mainly concerned with supporting the opponents’ claim that the words “cycling is” are ones which would typically be used as part of a slogan or promotion in relation to cycling or goods for use by cyclists. He gives as an example “cycling is fun.” He suggests that the applicants’ agents’ letter of 6 June 1997 (KS1) acknowledges that the words could be used descriptively. Mr Scott notes that the applicants point to other features of their marks (the use of IS in upper case letters and with three full stops following the word) but says these devices are well known in the English language as a way of adding emphasis. He exhibits (KS2) an extract from a book on punctuation.

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In particular Mr Scott says he is aware of the use of such devices in the field of cycling. He exhibits (KS3) a selection of pages from various cycling magazines showing the use of capitals and three full stops to produce impact and emphasis. He adds that:

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“The usage appears both in editorial matter and in advertisements. These magazines not only review and advertise cycles, but also cyclist clothing. Although some of the magazines are dated after the filing date of the Application, these examples are entirely illustrative of what I would have expected to see before the application date and indeed for many years before the Application date. My comments equally apply to advertising services. My Company frequently arranges advertising for their suppliers and I can readily imagine that we might send out a document in such a situation offering a

particular advertising deal in relation to advertising which was headed, for example, “Cycling IS ... profitable”. Equally on promotional T-shirts, which are essentially advertising on peoples chests, we might well use the slogan “Cycling IS ... FUN”. Similar slogans might suggest it is healthy, economic or green”.

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That concludes my review of the evidence.

Section 3(1) of the Act reads as follows:

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“3.- (1) The following shall not be registered-

- (a) signs which do not satisfy the requirements of section 1(1).
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

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Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

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Objection has been taken under each of the sub-sections. I will deal with Section 3(1)(a) first. Geoffrey Hobbs QC, sitting as the Appointed Person, in AD 2000 Trade Mark, 1997 RPC 168 gave the following guidance

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“Section 3(1)(a) prohibits the registration of “*signs*” which do not satisfy the requirements of section 1(1) (because they are incapable of being represented graphically and/or incapable of distinguishing goods or services of one undertaking from those of other undertakings) whereas the prohibitions in sections 3(1)(b), 3(1)(c) and 3(1)(d) are applicable to “*trade marks*”, i.e. signs which satisfy the requirements of section 1(1). From the proviso to section 3(1) it is apparent that sections 3(1)(b), 3(1)(c) and 3(1)(d) prohibit the registration of signs which satisfy the requirements of section 1(1), but nonetheless lack a distinctive character in the absence of appropriate use. This implies that the requirements of section 1(1) are satisfied even in cases where a sign represented graphically is only “capable” to the limited extent of being “not incapable” of distinguishing goods or services of one undertaking from those of other undertakings. Such signs are not excluded from registration by section 3(1)(a). Section 3(1)(a) has the more limited effect envisaged by article 3(1)(a) of the Directive of preventing the registration of “*signs which cannot constitute a trade mark*” at the time when they are put forward for registration. It is clear that signs which are not

objectionable under section 3(1)(a) may nevertheless be objectionable under other provisions of section 3 including sections 3(1)(b), 3(1)(c) and 3(1)(d).”

5 I also bear in mind Mr Dunlop’s reference to Philips Electronics v Remington 1999 RPC 809.
He submitted that not only were the words appearing in the mark incapable of meeting the requirements of Section 3(1)(a) but the other presentational features of the mark were also incapable of distinguishing within the meaning of Section 1(1). In his view not even the totality of the mark could pass the limited test of being not incapable of performing the function of a trade mark. I do not accept that this is the case. Whilst there are issues to do with the content and presentation of the mark which properly fall to be considered under Section 3(1)(b) (c) and (d) it is going too far in my view to say that the mark taken as a whole fails to meet the requirements of Section 3(1)(a). The opponents also say in their statement of grounds that the mark is essentially in the form of a slogan. I comment on this aspect of the case later in the decision. Suffice to say at this point that there is no bar on the registration of slogans as such. The opposition fails on this particular ground.

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20 No evidence has been filed that requires me to consider the position from the point of view of the proviso to Section 3(1). Thus I have only the inherent qualities and characteristics of the mark to consider. I can narrow the ground of attack somewhat by saying that there is nothing in the evidence before me to suggest that the mark consists exclusively of a sign which has become customary in the language of the trade. Thus there is no basis for the Section 3(1)(d) objection.

25 The nub of the opposition is the Section 3(1)(b) and (c) grounds. The opponents say that in relation to (c) the objection arises because the mark may indicate the intended purpose of the goods. Given the nature of the mark there must be some doubt as to whether the Section 3(1)(c) objection is sustainable as a separate ground. The Court of Appeal said in Procter & Gamble Ltd’s Trade Mark Application, 1999 RPC 673 at pages 678 and 9 that “despite its position in Section 3(1) of the 1994 Act paragraph (b) performs a residual or sweeping-up function, backing up paragraphs (c) and (d). I propose, therefore to consider the matter from the standpoint of Section 3(1)(b) on the basis that if the applicants do not fall foul of this provision their application is also likely to be free of objection under paragraph (c).

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35 I was referred to a number of authorities during the course of submissions. Mr Dunlop for the opponents, relied principally on DAY BY DAY (an Appointed Person decision dated 11 December 1997 in relation to application no. 2068646), P.R.E.P.A.R.E. (an Appointed Person decision dated 7 July 1997 in relation to application no. 2006629, and the TREAT case, 1996 RPC 281 (in particular the passage on page 306 regarding the meaning of devoid of distinctive character). Mr Walters, for the applicants referred me to MY MUM’S COLA 1988 RPC 130, I CAN’T BELIEVE IT’S YOGHURT 1992 RPC 533 and BEAUTY ISN’T ABOUT LOOKING YOUNG BUT LOOKING GOOD (a CTM case R73/1998-2 dated 11 February 1999). A number of the above relate to cases decided under the preceding Act. Authorities decided by reference to earlier statutes may not be apposite (Procter & Gamble Ltd’s application 1999 RPC 673). However in relying in part on cases dealt with under the Trade Marks Act 1938 Mr Walters referred me to remarks made by Simon Thorley QC in DAY BY DAY where he accepted that the reasoning in paragraphs from I CAN’T BELIEVE IT’S YOGHURT and MY MUM’S COLA was equally applicable under the 1994 Act (the

paragraphs concerned relate to the test as to whether other traders would be troubled by registration and whether a mark is one which other traders should be able to use to describe their goods).

5 The main thrust of the opponents' case is that the words contained in the mark applied for are ones which would find ready usage in an advertising or promotional context. Mr Scott in his evidence gives two examples which serve to demonstrate the point 'Cycling is fun' and 'Cycling is profitable'. The latter is put forward particularly in the context of the advertising that the opponents arrange for their suppliers. Furthermore the opponents say that
10 the 'surplus' in the mark is insufficient to render it registrable. By surplus I understand Mr Dunlop to mean the presentational aspects of the mark - that is the quotation marks, the capitalisation of the word IS and the three dots following the word. Evidence has been filed to demonstrate that such usages are common in the cycling press (KS3). My attention has also been drawn to the extract from a Brief Guide to Punctuation (Exhibit KS2) regarding the
15 use of three full stops to signify an omission in a quotation or to denote stumbling or excited speech. Even without these exhibits I would be prepared to accept that a variety of such devices are used in magazines (both in advertisements and in features) to give added emphasis or for presentational effect.

20 The applicants' position is somewhat ambivalent. They acknowledge to an extent at least that the words 'cycling is' taken on their own are capable of being used in a descriptive or laudatory manner in an advertising context. Mr Walters submitted that the words would not interfere with other traders using phrases such as 'cycling is fun' on goods or services. However in distinguishing the mark applied for from the P.R.E.P.A.R.E case (in relation to
25 Section 3(1)(c)) he went somewhat further and suggested that, even without the quotation marks, three full stops and capitalisation of the word IS, the mark does not fail under Section 3(1)(c). Mr Scott in his declaration refers to a letter written by the applicants' agents (it is not said to be without prejudice or privileged in some way) where it is suggested that the applicants would not "try to enforce their registration against your clients if they choose to use
30 the same words in a non Trade Mark sense, that is to say descriptively without the second word in very much larger capital letters or without the three full stops following the second word." It seems therefore that the applicants recognise the potential difficulty with the words and place reliance on the combination of other features in the mark to give it the required distinctive character.

35 I accept the applicants' contention that the mere fact that a mark may be a slogan or part of a slogan is not in itself determinative of its registrability. Slogans are not in themselves an excluded category of marks. The CTM Board of Appeal decision on BEAUTY ISN'T ABOUT LOOKING YOUNG BUT LOOKING GOOD (although not binding on me) points
40 to the fact that even slogans which express relatively commonplace ideas may have the capacity to achieve registration. The Appeal Board added "Clearly, such ideas and notions, which are part of what one might call a cosmetic philosophy, are not in the same category as common descriptive or desirable words or terms, which competitors may wish to use to promote their products and in relation to which exists a policy opposing their appropriation for exclusive use. Moreover, as stated at paragraph 7 above, the appellant has at all times
45 disclaimed protection for the words or terms forming the mark sought to be registered."

A number of Appointed Person decisions have recognised the relevance of potential advertising usage - see DAY BY DAY (referred to above) and FRESH BANKING, 1998 RPC 605 at page 607 lines 44 to 47.

5 Self evidently the mark applied for does not convey a complete idea. Rather it relies on the devices of quotation marks and full stops to suggest or leave space for further text. It invites the viewer or reader to look for missing words or seek further explanation. It is in that context that the mark is particularly suited to the needs of advertising. I, therefore, agree with the opponents that the words themselves are open to objection.

10 As already noted the applicants place some reliance on the presentational impact of the mark. Mr Dunlop suggested that this ‘surplus’ was insufficient to have any effect on the issue of distinctiveness. He referred me to the P.R.E.P.A.R.E. case where it was held that “the grammatical significance of the full stops is swamped by the linguistic significance of the letters and that the sign would accordingly be used and understood by people in the same way as the word PREPARE.” The circumstances in the case before me are somewhat different. I would not go so far as to say that the presentational features are swamped by the words themselves. However, the problem the applicants face is that quotation marks, full stops and capitalised letters are commonplace devices and have been shown to be used freely in
20 advertising etc.

In the final analysis it is a matter of judgement as to whether the mark taken as a whole can be said to meet the requirements of the Act. The contribution that the presentational features make may be to reduce the length of actual trading that would be necessary for such a mark to acquire the necessary distinctiveness but it cannot in my view overcome the difficulty it faces as an unused mark. The applicants themselves recognise the potential descriptive uses of the mark. As was said by Geoffrey Hobbs QC in AD 2000 Trade Mark
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30 “Although section 11 of the Act contains various provisions designed to protect the legitimate interests of honest traders, the first line of protection is to refuse registration of signs which are excluded from registration by the provisions of section 3.”

In the event the opposition succeeds under Section 3(1)(b).

35 Two objections arise under Section 3(6) which reads:

“3.-(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.

40 The first is that the applicants have no bona fide intention to use the mark as a trade mark. Determining a party’s intentions at any particular time is never easy. The opponents’ concerns stem, I think, from what they see as the marks’ suitability for advertising purposes. I have considered that particular objection under Section 3(1) but I do not think the opponents’ bare assertion is sufficient to cast doubt on the legitimacy of the applicants’ intentions without
45 evidence to support the point. The mark may be one that, absent use, is devoid of distinctive character but that is not to say that the applicants do not have the intention of using it as a trade mark.

The second matter under Section 3(6) is rather more difficult to deal with not least because material referred to by the opponents in support of the objection has not been filed in evidence. Briefly the opponents contend that the true owner of the mark is the limited company which is said to have been in existence prior to the filing date of the application. Despite this the application was originally filed in the name COBR (Consortium of Bicycle Retailers). Only subsequently was the name of the applicant changed to the limited liability company. Thus it is said the original application was filed in bad faith.

In support of this the opponents refer to a Form TM21 filed by the applicants and dated 6 June 1997 asking for the change of name to be made. Mr Dunlop also refers to conversations he had with Mr Sedman of the applicants when the latter is said to have referred to his 'business partner'. Mr Dunlop points out that a partnership is a different legal entity from a limited liability company.

The Form TM21 is a multi-purpose form the heading of which indicates that it is a "Request to change the details of an application or registration". A declaration at the end of the form requires the filer to "..... declare that there has been no change in the actual proprietorship of the application(s) or registration(s)". In addition to changes of name of proprietor and licensees the form can be used to correct clerical errors under the provisions of Section 39(2). The latter reads as follows

"(2) In other respects, an application may be amended, at the request of the applicant, only by correcting -

- (a) the name or address of the applicant,
- (b) errors of wording or of copying, or
- (c) obvious mistakes,

and then only where the correction does not substantially affect the identity of the trade mark or extend the goods or services covered by the application."

It follows from the above that a Form TM21 cannot be used if, for instance, there has been a change of proprietorship and, indeed, a separate form (TM16) exists for this particular purpose.

The actual form TM21 referred to in the opponents' evidence has not been included in the evidence nor have the applicants filed any evidence to clarify the position. (A copy of the form and related correspondence was subsequently received but I do not intend to take into account material submitted after the hearing and not in proper evidential form). If there was a change of legal entity then the opponents' criticisms were likely to be well founded. However, from comments made at the hearing I understand the likely position to be that the application was filed in the trading style of the limited company rather than the name of the company itself. It is arguable in my view as to whether such a change should have been effected by the Registry unless supported by evidence as to the circumstances in which the error had occurred. However, I doubt that I should go so far as to say that this necessarily renders the

application one that was made in bad faith (particularly as I have at best incomplete evidence on the point). If nothing else it is likely that the error (assuming it to relate to the trading style point) would have been capable of correction after registration by means of a rectification action. I have not lost sight of Mr Sedman's reference to his business partner and the trading style of his organisation but I do not think too much should be read into them. Such references are quite likely to occur in telephone conversations and are not necessarily to be construed as indicating the existence of a partnership in the legal sense. The opposition thus fails under Section 3(6). It was accepted at the hearing that the copyright point (see the passage quoted in my summary of the grounds of opposition) stood or fell with the Section 3(6) ground. Therefore that ground is also dismissed.

As the opposition has been successful the opponents are entitled to a contribution towards their costs. I order the applicants to pay the opponents the sum of £735.

Dated this 21 day of December 1999.

**M REYNOLDS
For the Registrar
The Comptroller General**