

TRADE MARKS ACT 1994

**IN THE MATTER OF
APPLICATION No 2309314
BY MVC ENTERTAINMENT LIMITED
TO REGISTER A TRADE MARK
IN CLASSES 9, 16, 28, 35, 41 AND 42**

DECISION AND GROUNDS OF DECISION

Background

1. On 29 August 2002, MVC Entertainment Limited of Congress House, 100 Lyon Road, Harrow, Middlesex, HA1 2EN, applied to register the trade mark **PAY LESS DISCOVER MORE** in Classes 9, 16, 28, 35, 41 and 42.
2. Objection was taken under Section 3(1)(b) of the Act because the mark consists of the words **PAY LESS DISCOVER MORE**, the whole being a non-distinctive laudatory slogan.
3. Objection was also taken under Section 3(6) of the Act in respect of Class 35 and under Section 5(2)(b) in respect of all classes.
4. The matter came to be heard on 18 November 2002 when the applicant was represented by Ms Joanne Ling of Castles, the applicant's trade mark attorneys. At the hearing, the Class 35 specification was amended to overcome the objection raised under Section 3(6). I waived the objection raised under section 5(2)(b) because there seems to me to be no likelihood of confusion. I therefore need make no more mention of the objections raised under sections 3(6) and 5(2)(b). The specifications, with amendments, are as follows:

Class 9

Sound, video and data recording and reproducing apparatus; sound, video and data recordings; apparatus and instruments for transmitting sound and/or visual recordings; sound and/or visual recording media; carriers including records, discs, tapes, cassettes, cartridges, CD Roms, MPEGs, JPEGs, DVDs (digital versatile discs), DVD-RWs (digital versatile discs with read/write capability), audio, picture and video compression files, interactive compact discs, cards bearing or for use in bearing sound recordings, video recordings, data, images, games, graphics, text, programs or information; head phones; earphones; cabinets, racks and units adapted for the storage and/or carriage of sound and/or visual recordings; cleaning apparatus for sound and/or visual recordings; machine readable cards bearing a magnetic strip; electronic and on-line publications; films and sound films prepared for exhibition; animated films; computer software; computer games; video games; electronic games; on-line games; gaming machines and apparatus; amusement gaming apparatus; gaming apparatus for use with television receivers, computer monitors and VDUs; coin or token operated electrical or electronic amusement apparatus; instructional and teaching apparatus and instruments; parts and fittings for all the aforesaid goods.

Class 16

Printed matter; printed publications; periodical publications; magazines;

brochures; leaflets; books; booklets; pamphlets; printed guides; catalogues; programmes (not being software); paper, paper articles; cardboard and goods made from these materials; stationery; stickers; gift vouchers; sheet music; cards; trading cards; posters; postcards; greeting cards; photographs; prints and framed prints; tickets; labels; carrier bags; paper bags.

Class 28

Games, toys, and playthings; puzzles; computer games apparatus; electronic games apparatus and video game apparatus; amusement apparatus; virtual reality apparatus for amusement and entertainment purposes; playing cards; amusement gaming apparatus; board games; apparatus for use with board games; articles for use in playing board games; quiz games.

Class 35

Bringing together, for the benefit of others, of a variety of goods enabling customers to conveniently view and purchase those goods in a shop specialising in entertainment goods including music, videos, DVDs, films, books, computer games software and hardware, music and film merchandise, posters, calenders, magazines and tickets; the bringing together, for the benefit of others, of a variety of goods enabling customers to conveniently view and purchase those goods by mail order catalogue, internet website or by telecommunications, all specialising in the sale of entertainment goods including music, videos, DVDs, films, books, computer games software and hardware, music and film merchandise, posters, calenders, magazines and tickets.

Class 41

Publishing of books, magazines publications and printed matter including electronic books, magazines and other publications; production of film, video and sound recordings; distribution of films, video recordings, audio/visual recordings, sound recordings, books, magazines, publications and printed matter; rental of games, software, films, video recordings, audio/visual recordings, sound recordings and reproduction equipment; rental of books, magazines, publications and printed matter; provision of entertainment club membership services; entertainment information services.

Class 42

Designing computer software, video game software and electronic games; provision of advisory, information and consultancy services in relation to all the aforesaid.

5. Following refusal of the application under section 3(1)(b) of the Act, I am now asked under Section 76 of the Act and Rule 62(2) of the Trade Mark Rules 2000 to state in writing the grounds of my decision and the materials used in arriving at it.

6. No evidence of use has been put before me. I have, therefore, only the prima facie case to consider.

The Law

7. Section 3(1)(b) of the Act is as follows:

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

(b) *trade marks which are devoid of any distinctive character”.*

The Applicant’s Arguments

8. Ms Ling submitted, at the hearing and in subsequent correspondence, that:

- (i) application of the criteria set out in the European Court of Justice Baby-Dry case [2002] E.T.M.R. 3, will find that the four words are not a normal combination used in common parlance to describe the goods and services covered by the application. It is not a conventional slogan, is syntactically unusual and is a “lexical invention”. The word “discover” makes the mark unusual;
- (ii) the effort needed to unravel the meaning of the mark is greater than people would normally make, as in Automotive Network Exchange [1998] R.P.C. 885;
- (iii) the criteria for registering a slogan are the same as that which applies to other types of signs, as confirmed in the Court of First Instance case, Das Prinzip Der Bequemlichkeit (T-138/00);
- (iv) a trade mark does not need to be imaginative or original to be distinctive, (Das Prinzip Der Bequemlichkeit, supra).

Decision

9. I accept Ms Ling’s submission that the four words of which the mark is comprised are not a normal combination which is used in common parlance to describe the goods and services covered by the application. However, the focus of this decision is not on whether the sign put forward is descriptive, thereby falling foul of section 3(1)(c) of the Act, but whether it is devoid of any distinctive character. Such a question falls to be decided under section 3(1)(b), the purpose of which is to prohibit registration of signs which may not fall foul of the clear parameters set by sections 3(1)(c) and (d), but nevertheless do not fulfil the function of a trade mark in identifying the goods and services of one undertaking from those of other undertakings.

10. The Cycling Is... case [2002] R.P.C. 37 advanced the notion that section 3(1)(b) has separate and independent scope from section 3(1)(c), an approach since reinforced both in the European Court of Justice, in its judgement on Companyline [2003] E.T.M.R. 20 and by the English High Court in Have A Break [2002] EWHC 2533 (Ch). Mr Geoffrey Hobbs, Q.C. said, in paragraph 44 of his decision as the Appointed Person in Cycling Is...:

“...distinctiveness is a matter of fact and degree and signs which are not wholly descriptive do not always or necessarily possess a distinctive character.”

A definition of what is meant by distinctive character and what is required of it can be found in the European Court of Justice judgement on the Philips case [2003] R.P.C. 2, at paragraphs 30 and 47:

“Moreover, according to the case-law of the Court, the essential function of a trade mark is to guarantee the identity of the origin of the marked product to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin, and for the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish, it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality...”

“...it is clear from Article 2 of the Directive that a trade mark has distinctive character if it serves to distinguish, according to their origin, the goods or services in respect of which registration has been applied for. It is sufficient, as is clear from paragraph 30 of this judgment, for the trade mark to enable the public concerned to distinguish the product or service from others which have another commercial origin, and to conclude that all the goods or services bearing it have originated under the control of the proprietor of the trade mark to whom responsibility for their quality can be attributed.”

The Registrar’s **Practice Amendment Notice (PAN) 7/02 on Slogans** says, at paragraph 13, that

“ a mark that is free from objection under section 3(1)(c) may still be devoid of any distinctive character because it sends a message that could apply to any undertaking and is not therefore capable of individualising the goods or services of one undertaking.”

The PAN goes on to suggest areas where an objection under section 3(1)(b) may be relevant, but does not purport to give an exhaustive list.

11. The distinctive character of a sign must be assessed in relation to the goods and services for which the applicant seeks registration. Putting PAY LESS DISCOVER MORE into context will assume notional and fair use in a retail environment selling video and audio recordings, games and computer games and also use on publishing services and computer software design services. Such notional use includes use in advertising. It is customary, in advertising, to use shorthand or abbreviated language (see the decision of Mr Simon Thorley, Q.C. in Where All Your Favourites Come Together (unreported)). Whilst a trade mark does not need to be imaginative or original to be distinctive (Ms Ling’s fourth submission), grammatically incorrect language, where slogans are concerned, does not lead directly to distinctiveness.

12. I therefore do not accept the submission that the mark is on all fours with Automotive Network Exchange. It is true to say that the average consumer does not engage in analysis of trade marks, it being a matter of first impression. However, it can also be said that the very fact that the average consumer does not know that there is a trade mark question to be answered means that the impression a sign has will be either origin specific or origin neutral, neutral meaning that no guarantee of trade source is conveyed by the sign.

13. I must assess the likely impact of the mark applied for on the average consumer, who I consider to be the general public for these goods and services, and my assessment is such that it appears to me to be merely informative in relation to the goods and services at issue without signifying trade origin. The message of the mark is “pay less and discover more”. The elliptical

construction of the mark does not assist, sufficient to overcome the objection, because the average consumer is accustomed to the use of abbreviation when goods or services are promoted. To my mind, Ms Ling's submission that "discover" makes the mark unusual carries no force because that presupposes that the average consumer analyses individual elements of the mark, which Ms Ling has argued against. The impact of "discover" is nullified by the commonplace marketing message conveyed by the combination as a whole. I make no distinction between the goods and services of the application in suit because they are part of the same commercial context.

14. I accept Ms Ling's submission that the legal criteria for registering a slogan are the same as that which applies to other types of signs. This truism should not, however, be used to mask the perception of the average consumer, a perception which must form the basis of the assessment for distinctiveness. In the Have A Break case, the Registrar's Hearing Officer, Mr James said (quoted with approval by Mr Justice Rimer on appeal):

"Consumers will be aware that slogans are commonly used in trade for purely advertising purposes and may, therefore, not accept a slogan as an indication of trade source as readily as they would a traditional indication of trade source, such as word brands, logos and figurative marks."

In assessing the distinctive character of the mark applied for, I have considered it from the viewpoint of the average consumer of these goods and services, who is deemed to be reasonably well-informed, reasonably observant and circumspect and who is accustomed to the use of contracted language in the promotion of goods and services. My assessment of the average consumer's reaction to the mark in suit is that it will be one of neutrality; there will be no understanding of trade source without education to the same.

Conclusion

15. In this decision, I have considered all the documents filed by the applicant and all the arguments submitted to me in relation to this application and, for the reasons given, it is refused under the terms of section 37(4) of the Act because it fails to qualify under section 3(1)(b) of the Act.

Dated this 11TH day of April 2003.

**J C PIKE
For the Registrar
The Comptroller General**