

O-053-10

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NUMBER 2498668
BY SIRAS.COM INC TO REGISTER THE FOLLOWING MARK IN
CLASS 35:**

TRACK PRODUCTS, NOT PEOPLE

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By Siras.Com Inc to register the following trade mark in class 35:

TRACK PRODUCTS, NOT PEOPLE

Background

1. On 26th September 2008, Siras.Com Inc of 11121 Willows Road NE, Suite 200, Redmond, WA 98052, United States of America ("the applicant") applied to register trade mark application number 2498668, consisting of the word mark "TRACK PRODUCTS, NOT PEOPLE" for the following services:

Class 35: Business information services provided to retailers and vendors, namely, verifying and validating sales transaction data relating to product warranty, repair and return eligibility; managing business databases for retailers and vendors concerning sales transactions and product warranty, return and repair eligibility.

2. On 20th October 2008, the UK Intellectual Property Office issued an examination report in response to the application. In the report, objection was raised under section 3(1)(b) of the Trade Marks Act 1994 ("the Act"), on the basis that the mark was devoid of any distinctive character for business information services regarding the tracking of products.
3. A period of two months from the date of the examination report was given for reply (i.e. up to 20th December 2008), with the Registrar confirming that "...the application would be refused if the applicant did not reply by the relevant date requested".
4. On 19th December 2008, attorneys acting for the applicant filed a Form TM9 to request an extension to respond to the official examination report. The extension requested was to investigate evidence of acquired distinctiveness. That extension, up to 19th March 2009, was allowed by official letter dated 4th January 2009.
5. On 18th March 2009, the same attorneys wrote saying, in sum, that they believed that the mark applied for was distinctive on the basis that it was an unusual term or combination; that the UKIPO Examination Manual in relation to "Slogans" supported its distinctiveness; that the term "NOT PEOPLE" especially, conveyed distinctive character and that internet searches supported its distinctiveness in relation to the services applied for. The results of those internet searches were however not exhibited or attached to the letter and they are not before me.
6. By letter dated 24th March 2009, the registry maintained objection under section 3(1)(b) quoting from the Court of First Instance (CFI) Case *Real People, Real Solutions*. A hearing was requested and this took place before me on 23rd July 2009.

7. At the hearing, the applicant was represented by Mr Richard Wylie of Harrison Goddard Foote. I maintained the objection under section 3(1)(b) of the Act, recording my conclusion as follows:

“Mr Wylie took me to PAN 1/2006 and submitted that with the addition, in particular, of the words “not people”, the mark possessed a fanciful quality that transcended the purely promotional. He also noted that the relevant consumer in this case was the trade rather than the general public.

Having considered the relevant case law (including *Real People, Real Solutions* and *The Principles of Comfort*), I agreed with the examiner that the phrase which comprises the mark would be understood as ‘origin neutral’ in relation to the services. Whilst those services are defined in a way which may not be comprehensible to any one other than those in the relevant trade, it is clear that the services offered seek to track various *product* data. That is, in contrast to comparable services which track data relating to consumers or ‘people’. In that sense, the message from the mark is a very direct and comprehensible one which acts, *prima facie*, in only a promotional way, rather than designating origin.”

8. The application was suspended for two months to allow the applicant time to consider its next steps. Nothing having been received during that period, on 13th November 2009 the application was formally refused by the registry. The applicant has now filed a Form TM5 asking for a full statement of grounds. This is the statement of grounds. I should also add that, despite its stated intention to investigate evidence of acquired distinctiveness, no such evidence has been filed, and so I only have to consider the *prima facie* case.

Decision

9. Section 3 of the Act reads as follows:

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

(a)

(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)

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.”

10. The above provisions mirror Article 3(1)(b) and (c) of First Council Directive 89/104 of 21 December 1988. The proviso to Section 3 is based on the equivalent provision of Article 3(3).

Relevant authorities – general principles

11. The European Court of Justice (ECJ) has repeatedly emphasised the need to interpret the grounds for refusal of registration listed in Article 3(1) and Article 7(1), the equivalent provision in Council Regulation 40/94 of 20 December 1993 on the Community Trade Mark, in the light of the general interest underlying each of them (Case C-37/03P, *Bio ID v OHIM*, paragraph 59 and the case law cited there and, more recently, Case C-273/05P *Celltech R&D Ltd v OHIM*).

12. The general interest to be taken into account in each case must reflect different considerations according to the ground for refusal in question. In relation to Section 3(1)(b) (and the equivalent provisions referred to above) the Court has held that "...the public interest ... is, manifestly, indissociable from the essential function of a trade mark" (Case C-329/02P, SAT.1 *SatellitenFernsehen GmbH v OHIM*). The essential function thus referred to is that of guaranteeing the identity of the origin of the goods or services offered under the mark 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 (see paragraph 23 of the above mentioned judgment). Marks which are devoid of distinctive character are incapable of fulfilling that essential function. Section 3(1)(c) on the other hand pursues an aim which reflects the public interest in ensuring that descriptive signs or indications may be freely used by all – *Wm Wrigley Jr v OHIM (Doublemint)*, C-191/0P paragraph 31.

13. In terms of the relationship as between sections 3(1)(b) and (c), a mark which is subject to objection under section 3(1)(c) as designating a characteristic of the relevant goods or services will, of necessity, also be devoid of distinctive character under section 3(1)(b) – see to that effect para 86 of Case C-363/99 *Koninklijke KPN Nederland NV v Benelux – Merkenbureau (Postkantoor)*. But plainly, and given the public interest behind the two provisions, they must be assessed independently of each other as their scope is different, that is to say that section 3(1)(b) will include within its scope marks which, whilst not designating a characteristic of the relevant goods and services, will nonetheless fail to serve the essential function of a trade mark in that they will be incapable of designating origin.

14. The question then arises as to how distinctiveness is assessed under section 3(1)(b). Para 34 of the *Postkantoor* case reads as follows:

"A trade mark's distinctiveness within the meaning of Article 3(1)(b) of the Directive must be assessed, first, by reference to those goods or services and, second, by reference to the perception of the relevant public, which consists of average consumers of the goods or services in question, who are reasonably well informed and reasonably observant and circumspect (see, inter alia, Joined Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECR I-

3161, paragraph 41, and Case C-104/01 *Libertel* [2003] ECR I-3793, paragraphs 46 and 75).”

15. This establishes the principle that the question of a mark being devoid of distinctive character is answered firstly by reference to the goods and services applied for and secondly the perception of the average consumer for those goods or services. In applying that principle to this case it is important that I am convinced that the objection applies to *all* the services applied for. If there are services specified which are free of objection under section 3(1)(b), then they must be allowed to proceed. In the case of European Case of Justice Case C-239/05 *BVBA Management, Training en Consultancy v Benelux-Merkenbureau* the question being referred to the court was whether the Directive, on which the Act is based of course, must be interpreted as meaning that the competent authority is required to state its conclusion separately for each of the individual goods and services specified in the application. The court answered (para 38), saying that the competent authority was required to assess the application by reference to individual goods and services. However, where the same ground of refusal is given for a category or group of goods or services, the competent authority may use only general reasoning for all the goods and services concerned. In this case I regard the services all to be in the same category (business information and the managing of databases services) falling in class 35, and thus rely on general reasoning below in refusing the mark for all services specified.
16. The second point in relation to application of this principle to this case is the question as to who the average consumer may be. Clearly from the wording of the specification, and my finding at the hearing, we are talking here about a specialist average consumer and not the general public. These are services and databases provided for the benefit of and to retailers and vendors. Whilst there is no evidence before me as to the precise nature of these services (although their purpose is reasonably plain from the wording of the specification) I must bear their specialised nature and intended user in mind in my further analysis.

The Mark

17. The mark consists of the phrase:

TRACK PRODUCTS, NOT PEOPLE

18. I have purposely used the neutral word ‘phrase’ in the above paragraph to describe the mark as, despite the fact that it was the applicant’s attorneys themselves who invoked PAN 1/ 2006 and the UKIPO Examination Manual, in relation to ‘Slogans’ specifically, I need to be cautious, in the absence of clear evidence to the contrary, in categorising the mark before me as, inevitably, a ‘slogan’ – see to that effect lines 18-23 at page 6 *BL O-325-07 (Deliberately Innovative)* a decision of the Appointed Person.

19. One of the dangers of making such a categorisation is no doubt that in so doing, the assessment of distinctiveness is skewed towards an assumption that the mark will always be used as a slogan or strap line, alongside other more distinctive marks, and as a consequence will have to 'work harder' to perform the essential function of a trade mark. By this I mean that consumers are not in the habit of regarding slogans as designating origin, but instead regard them as purely promotional. So, without any categorisation on my part, I intend to approach this matter from a purely semantic perspective in order to assess whether the phrase is capable of performing the essential function, required to be free from objection under section 3(1)(b).
20. The phrase is, in my view, one which is readily comprehended as a matter of semantics. The average specialist consumer will comprehend the phrase as one which advises the consumer to track products rather than people. Whilst it takes the form of injunctive advice, by doing so the impact of the phrase will inevitably be that the consumer will see it as referring to the nature of the applicant's services, which are clearly set out in the specification. The phrase is one which is plain, simple and unambiguous; there are no alternative meanings possible. Although it would not necessarily be determinative on the question of distinctiveness, the phrase cannot lay claim to any linguistic imperfection, peculiarity, inventiveness or other creativity, such that its meaning becomes elusive or vague. In fact, so direct is its meaning that, were it not for the words "NOT PEOPLE" within the phrase, I have no doubt that objection under section 3(1)(c) would have been appropriate. That is to say that the words "TRACK PRODUCTS" would be taken to directly designate the nature of the services on offer; namely services which allow retailers and vendors to track products sold.
21. The effect of the words, "NOT PEOPLE", in the phrase, as argued by Mr Wylie, is not, in my view, to confer upon the phrase any fancifulness or distinctiveness. Rather, the effect of such words on the average consumer will be to render the overall phrase as not just one of *pure* description or designation, but *also* a phrase which purports to inform the consumer that the services on offer are *in contrast to* other, comparable, services. That is to say that whilst other comparable services 'track people', we 'track products'. The fact that the word "we" is missing from the phrase would be seen by the average consumer as in the nature of normal advertising ellipsis which would not detract from the direct message imparted. By drawing attention to other comparable services, it is implicit in the phrase that some indeterminate 'advantage' or 'innovation' is claimed in the applicant's services.
22. It is because, on the face of it, the phrase potentially operates *both* as a designation of characteristic *and* in a promotional sense (to claim possible advantage), the examiner and I drew attention to the relevant authorities on 'advertising' and 'promotional' marks. Those key relevant authorities are Case T-130/01 *Real People Real Solutions* and Case C-64/02P *The Principles of Comfort*. At paras 33-35 of *The Principles of Comfort*, the ECJ says
- "33. It is clear from the case-law of the Court of Justice that, as far as assessing distinctiveness is concerned, every trade mark, of whatever category, must be capable of identifying the product as originating from a

particular undertaking, and thus distinguishing it from those of other undertakings (see, to that effect, in relation to Article 3(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), which is identical to Article 7(1)(b) of Regulation No 40/94, *Linde and Others*, paragraphs 42 and 47).

34 The Court of Justice has also held that, although the criteria for assessing distinctiveness are the same for the various categories of marks, it may become apparent, in applying those criteria, that the relevant public's perception is not necessarily the same for each of those categories and that, therefore, it may prove more difficult to establish distinctiveness for some categories of mark than for others (see Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-0000, paragraph 38; Joined Cases C-468/01 P to C-472/01 P *Procter & Gamble v OHIM* [2004] ECR I-0000, paragraph 36; and Joined Cases C-473/01 P and C-474/01 P *Procter & Gamble v OHIM* [2004] I-0000, paragraph 36).

35. The possibility cannot be excluded that the case-law mentioned in the foregoing paragraph of this judgment is also relevant to word marks consisting of advertising slogans such as the one at issue in this case. That could be the case in particular if it were established, when assessing the distinctiveness of the trade mark in question, that it served a promotional function consisting, for example, of commending the quality of the product in question and that the importance of that function was not manifestly secondary to its purported function as a trade mark, namely that of guaranteeing the origin of the product. Indeed, in such a case, the authorities may take account of the fact that average consumers are not in the habit of making assumptions about the origin of products on the basis of such slogans (see, to that effect, *Procter & Gamble*, paragraph 36)."

23. In Case T-130/01 *Real People Real Solutions*, the CFI says:

"30. Furthermore, there is nothing about the term REAL PEOPLE, REAL SOLUTIONS that might, beyond its obvious promotional meaning, enable the relevant public to memorise the sign easily and instantly as a distinctive trade mark for the services designated. Even if the sign were used alone, without any other sign or trade mark, the relevant public could not, in the absence of prior knowledge, perceive it other than in its promotional sense.

29. Since the relevant consumer is not very attentive if a sign does not immediately indicate to him the origin and/or intended use of the object of his intended purchase, but just gives him purely promotional, abstract information, he will not take the time either to enquire into the sign's various possible functions or mentally to register it as a trade mark.

30. The Court therefore concludes that the sign will be perceived by the relevant public primarily as a promotional slogan, based on its inherent meaning, rather than as a trade mark."

24. Both authorities are consistent. They do not deny the possibility that promotional phrases may also serve the essential function of a trade mark. Since refusal of this application, I have most recently become aware also of the ECJ Case C-398/08P *Audi AG v OHIM* (“*Vorsprung Durch Technik*”), selected paragraphs of which I also quote below.

“41 It must be held that, even though the General Court stated in paragraph 36 of the judgment under appeal that it is clear from the case-law that registration of a mark cannot be excluded because of that mark’s laudatory or advertising use, it went on to explain that the reason for its finding that the mark applied for lacks distinctive character was, in essence, the fact that that mark is perceived as a promotional formula: that is to say, its finding was made precisely on the basis of the mark’s laudatory or advertising use.

44 However, while it is true – as was pointed out in paragraph 33 of the present judgment – that a mark possesses distinctive character only in so far as it serves to identify the goods or services in respect of which registration is applied for as originating from a particular undertaking, it must be held that the mere fact that a mark is perceived by the relevant public as a promotional formula, and that, because of its laudatory nature, it could in principle be used by other undertakings, is not sufficient, in itself, to support the conclusion that that mark is devoid of distinctive character.

45 On that point, it should be noted that the laudatory connotation of a word mark does not mean that it cannot be appropriate for the purposes of guaranteeing to consumers the origin of the goods or services which it covers. Thus, such a mark can be perceived by the relevant public both as a promotional formula and as an indication of the commercial origin of goods or services. It follows that, in so far as the public perceives the mark as an indication of that origin, the fact that the mark is at the same time understood – perhaps even primarily understood – as a promotional formula has no bearing on its distinctive character.

46 However, by the line of reasoning set out in paragraphs 42 and 43 of the present judgment, the General Court did not substantiate its finding to the effect that the mark applied for will not be perceived by the relevant public as an indication of the commercial origin of the goods and services in question; in essence, rather, it merely highlighted the fact that that mark consists of, and is understood as, a promotional formula.

47 As regards the General Court’s finding in paragraph 41 of the judgment under appeal that the mark *Vorsprung durch Technik* can have a number of meanings, or constitute a play on words or be perceived as imaginative, surprising and unexpected and, in that way, be easily remembered, it should be noted that, although the existence of such characteristics is not a necessary condition for establishing that an advertising slogan has distinctive character, as is apparent from paragraph 39 of the present judgment, the fact remains that, as a rule, the presence of those characteristics is likely to endow that mark with distinctive character.

56 In that regard, it must be stated that all marks made up of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the goods or services covered by those marks convey by definition, to a greater or lesser extent, an objective message. It is clear, however, from the case-law set out in paragraphs 35 and 36 of the present judgment that those marks are not, by virtue of that fact alone, devoid of distinctive character.

57 Thus, in so far as those marks are not descriptive for the purposes of Article 7(1)(c) of Regulation No 40/94, they can express an objective message, even a simple one, and still be capable of indicating to the consumer the commercial origin of the goods or services in question. That can be the position, in particular, where those marks are not merely an ordinary advertising message, but possess a certain originality or resonance, requiring little in the way of interpretation by the relevant public, or setting off a cognitive process in the minds of that public.

58 Even if it were to be supposed that the slogan 'Vorsprung durch Technik' conveys an objective message to the effect that technological superiority enables the manufacture and supply of better goods and services, that fact would not support the conclusion that the mark applied for is devoid of any inherently distinctive character. However simple such a message may be, it cannot be categorised as ordinary to the point of excluding, from the outset and without any further analysis, the possibility that that mark is capable of indicating to the consumer the commercial origin of the goods or services in question.

59 In that context, it should be pointed out that that message does not follow obviously from the slogan in question. As Audi observed, the combination of words 'Vorsprung durch Technik' (meaning, inter alia, advance or advantage through technology) suggests, at first glance, only a casual link and accordingly requires a measure of interpretation on the part of the public. Furthermore, that slogan exhibits a certain originality and resonance which makes it easy to remember. Lastly, inasmuch as it is a widely known slogan which has been used by Audi for many years, it cannot be excluded that the fact that members of the relevant public are used to establishing the link between that slogan and the motor vehicles manufactured by that company also makes it easier for that public to identify the commercial origin of the goods or services covered."

25. The message from this case is, I think, that one should avoid deeming an application as necessarily devoid of distinctive character by virtue of an assertion that it would be seen as entirely, or even primarily, a 'promotional' message as far as the average consumer is concerned. Moreover, that objective and simple messages may well also not necessarily be devoid of distinctive character by virtue, solely, of that characteristic. The issue for the ECJ seems to be that where such marks possess 'originality and resonance' capable of being remembered (which may, eg result from word play, imagination and creativity), they are unlikely to be devoid of distinctive character. The impact of the Judgment is, in effect, to urge the

relevant authorities to undertake a full semantic analysis of the mark in question (as I have undertaken in this case), without preconception or pre-emption, and also take into account known and relevant surrounding circumstances. As regards the surrounding circumstances in the *Vorsprung* case, plainly in para 59 the ECJ factored into their analysis the fact that Audi's use over many years made it easier for the average consumer to identify the commercial origin of products sold under that slogan. I note that there is no evidence of use in this case. There are no other relevant surrounding circumstances that have been brought to my attention either by the examiner or the applicant. As far as my semantic analysis is concerned I have concluded that the phrase cannot lay claim to any linguistic imperfection, peculiarity, inventiveness or other creativity which might help endow it with the necessarily capability to function. Applying the ECJ's guidance in *Vorsprung durch Technik*, as well as those cases which have preceded it, I have no hesitation in upholding the refusal under section 3(1)(b) of the Act.

Conclusion

26. In this decision I have considered all the documents filed by the applicants 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 Sections 3(1)(b) of the Act.

Dated this 11 day of February 2010

**Edward Smith
For the Registrar
The Comptroller-General**