

TRADE MARKS ACT 1994

**IN THE MATTER OF application number 2460895
By LG Electronics Inc to register
the trade mark Intelligent Sensor
in Class 9**

**Appeal of the Applicant from the decision of
Mr. Andrew Lingard dated 22 December 2009**

DECISION

1. This is an appeal against a decision of Mr Andrew Lingard, the Hearing Officer for the Registrar, dated 22 December 2009, relating to an application to register the mark INTELLIGENT SENSOR for goods in Class 9 ("the Mark").

Background

2. On 9 July 2007, LG Electronics ("the Applicant") applied to register the Mark for a wide specification of goods in Class 9, including, for instance, computer hardware; television apparatus; apparatus for the recording, transmission or reproduction of sound or images; photographic apparatus; computers; television receivers (TV sets); cellular phones; camcorders; digital cameras.
3. The initial examination report raised objections under section 3(1)(b) and (c) of the Trade Marks Act 1994 ("the Act"), in relation to all of the goods in the specification. No response or evidence having been provided by the Applicant, on 9 January 2008 the Mark was refused in its totality, but a further period of one month was allowed for submission of a TM5. On 8 February 2008, the Applicant submitted a TM5, requesting a full statement of reasons for refusal of the application. In its covering letter, the Applicant stated that it wished "...to appeal against the rejection of this application for a restricted specification of goods to 'Television receivers (TV sets); cellular phones'." Due to an administrative error, the TM5 was not forwarded to the examination unit and the application was formally refused in July 2009. Once the error was discovered, the

application was reinstated and steps were taken to provide the statement of reasons which had been requested. Those reasons are found in the decision under appeal.

4. The Hearing Officer understood that the Applicant wished to pursue the matter only in relation to TV sets and cellular phones, and so concentrated on those goods, but he nevertheless also addressed the refusal in respect of all of the remaining goods in the specification. He went on to maintain the refusal of the registration, in terms which I discuss below. The Applicant lodged an appeal against the refusal but only in relation to the limited specification of goods; "television receivers (TV sets); cellular phones." The main points of its lengthy Grounds of Appeal can be summarised as:
 - a. The term "Intelligent Sensor" should not have been excluded from registration by reason of section 3(1)(c), as it does not describe the goods or an essential characteristic of the goods, but is a fanciful and arbitrary term;
 - b. The Hearing Officer had failed to consider the nature of and likely knowledge to be imputed to the relevant consumer;
 - c. As to the rejection under section 3(1)(b), the Mark was not devoid of any distinctive character, was not the ordinary denomination of the goods and could function as an indicator of origin. The Hearing Officer was wrong to consider that the Mark would be seen as some sort of promotional or advertising slogan; and
 - d. Lastly, the Applicant pointed to its own registration of the Mark in France, and its own and others' registrations of similar "Intelligent ..." marks as national and Community Trade Marks, as indicating that such marks did not lack distinctive character.

The decision below

5. Mr Lingard set out the relevant parts of section 3 and referred to the public policy considerations which arise from them or their Community equivalents, Article 3(1) of the Directive and Article 7(1) of the Regulation. In paragraph 14 he referred to the decisions of the ECJ in Case C-37/03, *Bio ID v OHIM* [2007] E.C.R. 1-7975 and Case C-273/05 *Celltech R & D Ltd v OHIM* [2007] E.C.R. I-2883. In paragraph 15 he added:

"15. 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.”

No criticism was made of that statement of principle.

6. The Hearing Officer set out a summary of the ‘main guiding principles’ from ‘*Doublemint*’ [2003] E.C.R. I-12447; [2004] R.P.C. 18, Case T-67/07, *Ford Motor Co v OHIM* [2008] E.C.R. II-3411 and Case C-363/99, *Koninklijke KPN Nederland NV and Benelux-Merkenbureau (‘Postkantoor’)* [2004] E.C.R. I-1619; [2006] Ch. 1. He went on:

“18. Section 3(1)(c) of the Act excludes signs which may serve, in trade, to designate the kind of goods or other characteristics of goods. It follows that in order to decide this issue it must first be determined whether the mark designates a characteristic of the goods in question. ...

19. It appears reasonable when applying the normal rules of English language and grammar, that the two words when used in combination are descriptive of sensors that are able to modify action without human intervention.

20. Television receivers (TV sets) and cellular phones are both electronic goods and as such are likely to contain sensors of some description. Sensors can play a part in all goods, but in particular in today’s market it is common for electronic goods to be remote controlled. These remote control features are possible, in part, because of the use of sensors. I am aware from personal experience that it is possible to alter the picture quality, sound, channel, framing etc. on a television receiver remotely

21. That being the case, it is pertinent to consider whether there is any difference between a sensor *per se* and an “intelligent sensor”. To make a sensor “intelligent”, it would have to be able to modify actions without the direct intervention of a human. An intelligent sensor would therefore be able to change the settings on an electronic good automatically, in response to ongoing events such as an increase in the ambient noise levels, resulting in the volume increasing, or changes in the natural light resulting in changes in the contrast, brightness, or colour palette etc. of the screen.

22. The relevant consumer for these goods would be the public at large. Television receivers (TV sets) and cellular phones’ would demand a reasonably

high unit price, and are not an everyday purchase, with a moderate level of attention and knowledge applied when purchasing these goods.

23. In my view the relevant consumer of the goods and services in question would see the words "Intelligent Sensor", on first impression, as a normal means of designating a nature or other characteristic of the goods and services for which registration is sought, i.e. 'television receivers (TV sets) and cellular phones', goods with an intelligent sensor function. Consequently, I have concluded that the mark applied for consists exclusively of a sign which may serve, in trade, to designate the kind of goods and services and is, therefore, excluded from registration by Section 3(1)(c) of the Act.

24. I find support for this conclusion in the judgment of the European Court of Justice in the *Postkantoor* case, C-363/99 where the following view was expressed:

"5. Article 3(1)(c) of Directive 89/104 must be interpreted as meaning that a mark consisting of a word composed of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, is itself descriptive of the characteristics of those goods or services for the purpose of that provision, unless there is a perceptible difference between the word and the mere sum of its parts: that assumes either that because of the unusual nature of the combination in relation to the goods or services the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that it is now independent of its components. In the latter case, it is necessary to ascertain whether a word which has acquired its own meaning is not itself descriptive for the purposes of the same provision."

This is simply not the case here."

7. The Hearing Officer noted that his conclusion under section 3(1)(c) effectively ended the matter. However, he also went on to consider the application under section 3(1)(b). He referred again to *Postkantoor* and cited paragraph 86 of that decision:

"In particular, a word mark which is descriptive of characteristics of goods or services for the purposes of Article 3(1)(c) of the Directive is, on that account, necessarily devoid of any distinctive character with regard to the same goods or services within the meaning of Article 3(1)(b) of the Directive. A mark may none the less be devoid of any distinctive character in relation to goods or services for reasons other than the fact that it may be descriptive."

Mr Lingard then cited the principles derived from the ECJ's decision in Joined Cases C-53/01 to C-55/01, *Linde AG v Deutsches Patent-und Markenamt*, [2003] E.C.R. I-3161; [2003] R.P.C. 45, *Postkantoor*, and Case C-104/01, *Libertel Group BV v Benelux Merkenbureau* [2003] E.C.R. I-3793; [2004] Ch 83. He went on:

"28. Further, I do not consider that an application may escape objection if it is considered too imprecise a term and [*sic*] to indicate a direct and specific relationship with the goods or services at issue without further thought, but is, in some sense, more generally non-distinctive. In particular, I note that it was held in *Imperial Chemical Industries plc v OHIM*, Case T-224/07:

"21 For a finding that there is no distinctive character, it is sufficient that the semantic content of the word mark in question indicate to the consumer a characteristic of the goods or service which, whilst not specific, represents promotional or advertising information which the relevant public will perceive first and foremost as such, rather than as an indication of the commercial origin of the goods or service (*REAL PEOPLE*, *REAL SOLUTIONS*, paragraphs 29 and 30, and Case T-128/07 *Suez v OHIM* (Delivering the essentials of life), not published in ECR, paragraph 20)."

29. Even if the mark falls short of conveying the requisite level of specificity to support an objection under section 3(1)(c) I would nevertheless hold that it would not be capable of performing the essential function of a trade mark without the relevant public being educated into seeing it that way. In my view consumers would not consider that the mark to be that of any particular manufacturer or supplier of electronic equipment: it could properly be at home on the goods of any of them. On this basis the (b) objection is also made out."

Standard of review

16. In *Dyson Ltd v Registrar of Trade Marks* [2003] R.P.C. 47 Patten J. held at [14] that normally an appeal from a Hearing Officer to the High Court in an *ex parte* matter should be limited to a review of the decision rather than a re-hearing, and that the approach to be applied to such a review was the same as that laid down with regard to *inter partes* cases in *REEF Trade Mark* [2003] R.P.C. 5. Appeals to the Appointed Person are not governed by the CPR, but it is settled practice (see e.g. *ROYAL ENFIELD* [2002] R.P.C. 24) to apply by analogy CPR 52.11(1) and the case law relating to it. Accordingly, an appeal to the Appointed Person in an *ex parte* matter should normally be limited to a review of the Hearing Officer's decision. As such, I should show "a real reluctance, but

not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle": *REEF Trade Mark* [2003] R.P.C.5 at [28].

The appeal under section 3(1)(c)

8. The main thrust of the Applicant's appeal under section 3(1)(c) was that the Hearing Officer had erred in finding that the mark applied for would be seen by members of the relevant public as designating 'a nature or other characteristic of the goods.' It argued that term "Intelligent Sensor" would not in normal usage describe the goods or any essential characteristics of the goods, because it was a fanciful term arbitrarily created by the Applicant. It would not "automatically guide the consumer to televisions or cellular phones." Whilst the Applicant accepted that the Hearing Officer was right to consider that the relevant goods were likely to contain sensors of some description, it submitted that the term "Intelligent Sensor" was not "an obvious choice to describe the goods or their essential characteristics" and was too indeterminate and vague to convey anything about the goods to the purchaser. The Applicant concluded that whilst the Mark might be evocative of the nature of the goods, or possibly laudatory, it was not descriptive so as to fall within section 3(1)(c).

9. A mark which consists of a combination of otherwise descriptive words may (but will not always) produce an equally non-distinctive mark. In *Postkantoor* (see above), the ECJ held:

"98 As a general rule, a mere combination of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, itself remains descriptive of those characteristics for the purposes of article 3(1)(c) of the Directive. Merely bringing those elements together without introducing any unusual variations, in particular as to syntax or meaning, cannot result in anything other than a mark consisting exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services concerned.

99 However, such a combination may be not descriptive within the meaning of article 3(1)(c) of the Directive, if it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements. In the case of a word mark, which is intended to be heard as much as to be read, that condition must be satisfied as regards both the aural and the visual impression produced by the mark.

100 Thus, a mark consisting of a word composed of elements, each of which is descriptive of characteristics of the goods or services in respect of which

registration is sought, is itself descriptive of those characteristics for the purposes of article 3(1)(c) of the Directive, unless there is a perceptible difference between the word and the mere sum of its parts: that assumes ... that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts..."

10. The Applicant referred me to a number of decisions of the ECJ and the CFI (now the General Court), such as Case C-383/99, *Baby-Dry* [2001] E.C.R. I-6251; [2002] R.P.C. 17 and *SAT.1* (see above), showing that word marks may be registrable even if they do not demonstrate a particularly high degree of inventiveness. In particular, the Applicant relied upon the '*Eurohealth*' decision (*DKV v OHIM*, Case T-359/99, [2001] E.C.R. II-1645; [2001] E.T.M.R. 81) which demonstrated that the question of descriptiveness must always be considered in relation to the particular goods or services in question.
11. However, in my judgment each of those cases shows that the registrability of such marks depends upon whether the particular combination of words used in relation to the particular goods or services in the applicant's specification may be seen as describing the goods or some quality of the goods. It is a matter of judgment for the hearing officer or court to decide whether the particular mark is objectionable for the specification of goods/services applied for.
12. It seems to me that it is fair to say the Mark is not directly descriptive of the goods in question, but in my view that was not the basis of the Hearing Officer's decision. His decision was not based on a finding that the Mark would "automatically guide the consumer to televisions or cellular phones." but he took the view that the Mark would be seen as a phrase describing a *characteristic* of the goods. It does not seem to me that he should have considered whether the mark was an "obvious choice" for use in relation to these goods, as implied by the Applicant's submissions, but he was right to consider whether the average consumer of the goods would see the Mark as referring to a characteristic of the goods rather than as indicating trade origin.
13. The Applicant added a further factor into this element of its appeal. It submitted that the Hearing Officer had failed to carry out an adequate analysis to identify the relevant consumer of the goods. It suggested that this was a defect which coloured the whole of his conclusions. It submitted that the average member of the relevant public when

purchasing goods of this type would take help from a specialist retailer or other well-informed person who would understand that the Mark was a trade mark not a descriptive term. There was no evidence before the Hearing Officer justifying such an argument, and it does not seem to me that it is an obvious point which was overlooked by the Hearing Officer. On the contrary, I consider that his summary at paragraph 22 of the position as to the relevant public and the amount of attention likely to be given to such a purchase was fair and reasonable. I see no manifest error in that element of his decision.

14. The Registry, in its submissions on the appeal, drew my attention to a book published in December 2006 entitled "Intelligent Sensor Design" relating to the use of intelligent sensors in "system design in everything from sports cars to assembly lines" and also to an article found on the internet, apparently showing further use of the term as early as 2004. These documents do tend to show that the expression may be a descriptive term sought to be used in trade by others. On the other hand, the Hearing Officer makes no reference to them and I imagine they came to light only during preparation of the UKIPO's appeal submissions and may not reflect use of the term known to the average consumer.
15. It seems to me that this is something of a borderline case and the Mark is one which another Hearing Officer might have found vague enough not to be objectionable under section 3(1)(c). However, I nonetheless consider that it was open to Mr Lingard to conclude that the Mark used specifically in relation to the narrow range of goods in issue might be taken by the average consumer to designate a characteristic of the goods. In the circumstances, it does not seem to me that the Applicant has identified any "distinct and material error of principle" in the Hearing Officer's conclusions in this regard such that I may set aside this part of his decision.
16. For the sake of completeness, I too will consider the Applicant's arguments in relation to the refusal under section 3(1)(b). Those arguments may be summarised as follows: (a) as the Mark is not the ordinary denomination of the goods, it is not devoid of any distinctive character and (b) the Hearing Officer was wrong to consider that the Mark would be seen as some sort of promotional or advertising slogan and was in particular wrong to rely upon the decision of the CFI in Case T-224/07, *ICI v OHIM*.
17. Again, I see no material error in the Hearing Officer's approach or in his conclusions. He referred to the guidance of the ECJ in *Postkantoor* that a mark may be devoid of any distinctive character even if it is not descriptive. It does not seem to me that he made

any finding that the Mark was the ordinary denomination of the goods in question. Instead, he took the view that consumers would not see the Mark as indicating that the goods originated from a particular source, as it could be “at home” on any manufacturer’s goods. In other words, he thought that the Mark was “essentially origin neutral” and so lacked “the singularity required to individualise goods of the kind specified to a single undertaking” (I adopt the terminology used by Mr Geoffrey Hobbs QC as the Appointed Person in *Deliberately Innovative trade mark*, BL O/325/07). That was a finding which I consider it was open to him to make.

18. In addition, the Hearing Officer considered that the Mark should be refused registration under section 3(1)(b) even if it lacked a direct and specific relationship with the goods, because it might be seen as a promotional or advertising slogan. It was in this regard that the Hearing Officer relied upon the *ICI* case. That is but one example of a mark being refused registration on such grounds, see e.g. *Bonus Gold* [1999] RPC 859, or *Ashoka v OHIM*, Case T-186/07, [2008] E.T.M.R. 70 (‘Dream it, do it !’ where the CFI held at paragraph 23:

“... a sign which, like an advertising slogan, fulfils functions other than that of a trade mark in the traditional sense of the term is distinctive for the purposes of Article 7(1)(b) of Regulation No 40/94 only if it may be perceived immediately as an indication of the commercial origin of the goods or services in question, so as to enable the relevant public to distinguish, without any possibility of confusion, the goods or services of the owner of the mark from those of a different commercial origin (see Case T-216/02 *Fiel dturf v OHIM (LOOKS LIKE GRASS ... FEELS LIKE GRASS ... PLAYS LIKE GRASS)* [2004] ECR II-1023, paragraph 25, and *LIVE RICHLY, ...*”

19. The Applicant in this case accepted that the Mark was an evocative and laudatory allusion to some “vague character of the product” and argued that this meant that it had the capacity to function as a trade mark. On the contrary, it seems to me that the Hearing Officer was entitled to find that a laudatory phrase making even a vague allusion to the character of the product is (for the reasons set out above) unlikely immediately to be perceived as an indicator of origin.
20. Lastly, the Applicant sought to place some reliance upon various other registered marks incorporating the word “intelligent”, but Mr Brereton accepted in argument that the existence of such marks (whether national marks or CTMs) does not show that the Hearing Officer was wrong to reject this Mark.

21. For these reasons, I consider that the objection under section 3(1)(b) should be upheld. The appeal will therefore be dismissed.
22. In accordance with the usual practice on costs in this sort of appeal, I make no order as to the costs of the appeal.

Amanda Michaels
4 June 2010

Mr Paul Brereton of Reddie & Grose appeared on behalf of the Applicant

Mrs Carol Bennett appeared on behalf of the Registrar