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TRADE MARKS ACT 1994

IN THE MATTER OF AN APPLICATION NUMBER 2644924
BY GROWTH TANK CORPORATE ADVISERS LTD
TO REGISTER THE FOLLOWING TRADE MARK IN CLASSES 35 AND 42:

GOVERNANCE DESIGNERS

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Background

1. On 6 December 2012, Growth Tank Corporate Advisers Ltd applied to register trade mark application number 2644924 consisting of the phrase 'GOVERNANCE DESIGNERS', for the following goods and services:

   Class 35: Marketing services; business management and organisation services; business efficiency services; personnel management services; business policy review, development and implementation services; business problem identification, analysis and resolution services; priority identification and analysis; advisory, consultancy and information services relating to all the aforesaid.

   Class 42: Professional advisory, information and consultancy services relating to the research, analysis and development of new and existing organisational and business models, structures, practices and strategies; industrial analysis & research services.

2. On 20 December 2012 the IPO issued its examination report. The examiner raised objection under section 3(1)(b) stating that the words 'GOVERNANCE DESIGNERS' would be seen as "describing a characteristic of the organisation which is providing the services, for example, advisory, information and consultancy services provided by governance designers". The examiner then relied upon the meaning of the word 'governance', taken from Collins Dictionary of Business (2006), an explanation of the term 'governance design'; examples of its usage in relation to business; and finally, reference to use taken from the internet of the actual term 'governance designers'. Whilst it may not be taken from the same dictionary, the meaning of 'governance', taken from Collins Dictionary of Economics, is as follows:

   > **governance** the arrangements for managing or controlling a firm or other organization. Particular interest has focused upon CORPORATE GOVERNANCE: who owns and controls JOINT-STOCK COMPANIES[1].

3. The attorney for the applicant, Mr Murch, contested the objection and the matter came to me for a hearing via videolink on 23 May 2013.

4. At the hearing, Mr Murch submitted the combination of words gives sufficient 'pause for thought' and/or requires some 'unravelling' in order to extract a precise meaning,

[1] Governance (2006). In Collins Dictionary of Economics. Retrieved from http://www.credoreference.com/entry/collinsecon/governance

and he relied on a decision of the Appointed Person in 'Automotive Network Exchange [1998] RPC 885 ('ANE') in support of his argument. In that case, the Appointed Person said:

> *"That brings me to the question whether the designation 'Automotive Network exchange' is too descriptive to be registrable as an unused mark. The words 'Automotive', 'Network' and 'Exchange' are individually well-adapted to describe different aspects of the operation of a private communications system providing business information for the automotive industry. Taking them one by one they appear to be clearly unregistrable for lack of the required capacity to distinguish the services of interest to the applicant from those of other suppliers. I would regard them as equally unregistrable for use in combination if I thought that people seeing and hearing the expression 'Automotive Network Exchange' would understand it to be referring to the nature or characteristics of the specified services irrespective of their trade origin. However, the expression as a whole seems to me to succeed in saying nothing in particular about business information provided by means of a private communications system. The words in question are somewhat ungrammatical (and not entirely easy to assimilate) in combination. I think that the degree of effort and analysis required to interpret them merely as a statement about the nature or characteristics of the relevant services is greater than people would normally devote to such matters when going about their everyday business."*

5. Mr Murch says this case is on a par and that the combination of words takes some unravelling (or 'effort and analysis') to get to any descriptive meaning in relation to the services.

6. I reserved my decision at the hearing, but subsequently gave it in writing on 24 May 2013. In my decision, I refused the application under the principal ground of section 3(1)(c) of UK Trade Marks Act 1994 ('the Act') and, in the event that I was found to be wrong about that ground, also on the basis that the mark is devoid of any distinctive character pursuant to section 3(1)(b) of the Act. I should explain at this point that if an application falls foul of section 3(1)(c), it must also be devoid of distinctive character by virtue of it designating a characteristic. Conversely, and as I shall discuss in more depth below, it is possible for a sign to be devoid of any distinctive character pursuant to section 3(1)(b) even though it does *not* designate a characteristic of the goods/services pursuant to section 3(1)(c). My short decision issued after the ex parte hearing took account of that latter scenario.

7. By way of a form TM5 which was submitted on 18 June 2013, I have been asked to provide a full statement of grounds of my reasons for refusal which I now give. I have only the *prima facie* case to consider as no plea of acquired distinctiveness has been made.

Decision

8. The relevant section 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."

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

10. In my short written decision issued after the hearing, I stated at the outset that, although the examiner had raised only a section 3(1)(b) objection based on the sign being non-distinctive, the essence of her objection was that the sign 'designates a characteristic' of the services; she even uses the words 'describing a characteristic' in her objection. I assumed then that objection was under both sections 3(1)(b) and/or (c). The fact that the grounds of objection were clarified by me in this way did not inconvenience the applicant in any way, as the substance of the objection had been made clear in the examination report.

Legal principles

11. The Court of Justice of the European Union ('CJEU') 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*, para 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' Satelliten Fernsehen 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.

13. 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 - see *Wm Wrigley Jr v OHIM ('Doublemint')*, C-191/0P paragraph 31.

14. In terms of the relationship between sections 3(1)(b) and (c), a sign 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 paragraph 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 in the *prima facie* of designating origin. That is my reserve position in this case, lest I be found to be wrong on the section 3(1)(c) ground.

15. The relationship between sections 3(1)(b) and (c) has also been commented upon at the national level. For example, in the case of BL O/313/11 ('Flying Scotsman'), at paragraph 19, the Appointed Person notes that:

> *"Since there is no obligation to rule on the possible dividing line between the concept of lack of distinctiveness and that of minimum distinctiveness when assessing the registrability of a sign under section 3(1)(b), see Case C-104/00 P Deutsche Krankenversicherung AG v. OHIM ('Companyline')[2002] ECR I-7561 at paragraph [20], it is not necessary to dwell on the question of how far section 3(1)(b) may go in preventing registration beyond the scope of section 3(1)(c). It is sufficient to observe that a sign may be:*
>
> *(1) distinctive for the purposes of section 3(1)(b), with the result that it cannot be regarded as descriptive for the purposes of section 3(1)(c) and must be unobjectionable on both bases; or*
>
> *(2) neither distinctive for the purposes of section 3(1)(b), nor descriptive for the purposes of section 3(1)(c), with the result that it must be objectionable on the former but not the latter basis; or*
>
> *(3) descriptive for the purposes of section 3(1)(c), with the result that it cannot be regarded as distinctive for the purposes of section 3(1)(b) and must be objectionable on both bases.*
>
> *These considerations point to the overall importance of establishing that a sign is free of objection under section 3(1)(b)."*

16. Further guidance on legal principles to be applied in relation specifically to section 3(1)(c) can be summarised as follows:

- The words 'may serve in trade' include within their scope the possibility of future use even if, at the material date of application, the words or terms intended for protection are not in descriptive use in trade (see, to that effect, CJEU Cases C-108/97 and C109/97 *Windsurfing Chiemsee Produktions und Vertriebs GmbH v Boots* and *Segelzubehor Walter Huber and others*;

- As well as the possibility of future use, the fact there is little or no current use of the sign at the date of application is also not determinative in the assessment. The words 'may serve in trade' can be paraphrased as meaning 'could' the sign in question serve in trade to designate characteristics of the goods/services;

- In order to decide this issue, it must first be determined whether the mark designates a characteristic of the goods in question;

- In this regard, there must be a sufficiently direct and specific relationship between the sign and the goods and services in question to enable the public concerned immediately to perceive, without further thought, a description of the goods or services in question or one of their characteristics see CJEU judgment C-468/01 P to C-472/01 P, *'Tabs'*, paragraph 39, and General Court judgment T-222/02, *'Robotunits'*, paragraph 34;

- The assessment of a sign for registrability must accordingly be made with reference to each discrete category of goods or services covered by an application for registration, see Case C-239/05 *BVBA Management, Training en Consultancy v. Benelux-Merkenbureau* [2007] ECR I-1455 at paragraphs 30 to 38; Case C-282/09 P *CFCMCEE v OHIM* 2010 ECR I-00000 at paragraphs 37 to 44;

- Assessment of any objection must be stringent and fact based.

17. Finally, I need to say who the average consumer would be in this case. In this case, it will be businesses predominantly, rather than the general public.

Application of the legal principles

18. The characteristic of the services I say are designated in this case are the 'type' or 'kind' of service, that is to say, services in classes 35 and 42 which offer other businesses support, advice and consultancy on their 'governance' (or, alternatively, on the way in which they are governed). In effect, they 'design governance'.

19. Although the examiner has sought to support her objection by reference to internet hits, I consider the word 'governance' to be one which is readily understandable in the present day, and one which is applicable to the public, corporate, IT and business spheres, in reference to the decision-making structures a business or other entity puts in place in order to make it function as effectively as possible. In this regard, the dictionary reference quoted at paragraph 2 above will be readily known, recognised and used by those within a business or organisation. 'Designers' is also an obviously descriptive word with a dictionary-defined meaning. The two words sit in a

grammatically correct order, and in this respect especially I do not accept the submission by Mr Murch that this case is on a par with the 'ANE' case.
It seems to me, rather, that the term 'governance designers' will be immediately comprehensible to the average consumer. The term 'designer(s)' will effectively be seen as being synonymous with 'advisors' or 'consultants'. I have attached as annexes to this decision two examples of descriptive use of the phrase 'governance design' (which is only a small step from the term 'governance designers'), one of which the examiner has already highlighted. These were sent attached to my written decision and post hearing report. The first is from GRANT THORNTON'S website and the second from the website of a company called NESTOR ADVISERS. As will be clear, however, from the statement of legal principles above, it is not necessary for me to produce such supporting materials in order to substantiate or verify an objection. Rather, these references merely reinforce my view that the term could designate a characteristic of the services specified.

20. It simply remains for me to assess whether the objection applies across all the services specified. In this regard, and whilst for certain services the objection may be more obvious (such as, for example 'professional advisory, information and consultancy services relating to the research, analysis and development of new and existing organisational and business models, structures, practices and strategies' in class 42), I cannot in this case draw clear water between any of the services claimed to an extent that I could safely conclude that the term would never apply. On that basis, this case is one in which partial refusal is not, in my opinion, an option.

21. Taking all factors into account, the objection under section 3(1)(c) is maintained and the application is refused on that principal basis.

Section 3(1)(b)

22. In the event I am wrong on the finding above I will go on to consider the additional ground of objection under section 3(1)(b). I should reiterate that a sign found to be subject to a section 3(1)(c) objection will automatically also be subject to a section 3(1)(b) (as observed above at paragraph 14). However each ground is potentially independent and requires separate consideration.

23. The basis of a section 3(1)(b) objection is that the sign is unpossessed of distinctive character such that it cannot, in the assessment of the relevant authority, perform the essential function of a trade mark to designate the origin of the goods and services of a single undertaking. In my opinion, even if the term 'governance designers' does not have the requisite specificity to designate a characteristic of the services under section 3(1)(c), it would nonetheless be devoid of distinctive character from the perspective of the average consumer. To express this another way, even if the term 'governance designers' would not be understood in the same way that terms such as, for example, 'architects' or 'chartered accountants' are (i.e. as recognised professions), the term would nonetheless *not* perform the essential function of a trade mark to designate the origin of the services. The average consumer would assume that an organisation using the term 'governance designers' would simply be offering a service which in some way

advises on or otherwise assists in the decision making structures of the customer's business.

24. For the above reason, the application is also refused on the alternative and independent ground of section 3(1)(b).

25. In this decision I have considered all the papers on file and submissions made.

Dated this 1st day of October 2013

Edward Smith
For the registrar
The Comptroller General

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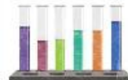

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