#### **TRADE MARKS ACT 1994**

# IN THE MATTER OF REGISTRATION 2654695 FOR THE SERIES OF TWO TRADE MARKS: Link Risk & Linkrisk IN THE NAME OF BUSINESS ANALYSIS SOFTWARE LTD

AND

APPLICATION 500388

BY LINK RESEARCH TOOLS GMBH

FOR A DECLARATION THAT THE TRADE MARK IS INVALID

# Background and pleadings

- 1. This is an application by Link Research Tools GmbH¹ ("the applicant") to have registration 2654695, which consists of the series of two marks **Link Risk** & **Linkrisk**, declared invalid.
- 2. The application to register the trade marks was filed on 4 March 2013 and they were registered on 21 June 2013. The registration stands in the name of Business Analysis Software Ltd ("the proprietor") and it is registered for the following services:
  - Class 35: Business risk services, including the provision of an algorithmically calculated score to describe the risk of a website's backlink profile for the purpose of search engine optimisation.
  - **Class 42:** Computer software services relating to an algorithmically calculated score to describe the risk of a website's backlink profile for the purposes of search engine optimisation.
- 3. The application to invalidate the registration was filed on 6 May 2014. The grounds for invalidation are that:
  - The mark is descriptive because the word LINK refers to website links, and the word RISK refers to the level of risk (or possible harm) posed by such website links.
  - The expression "link risk" is commonly used to describe the degree of risk caused by links to other websites.
  - The trade marks are, therefore, not capable of distinguishing the proprietor's services from those of other undertakings, are devoid of any distinctive character for the services at issue, describe the services in question, are ones which should remain free for the use of other traders, and have become customary in the current language or in the bona fide and established practices of the trade.
  - It is claimed that registration of the trade marks was contrary to sections 3(1)(a),(b),(c) and/or (d) of the Trade Marks Act 1994 ("the Act").
- 4. The proprietor filed a counterstatement denying the applicant's claims and putting it to strict proof. It adds that the UK Intellectual Property Office examined the application and found that the marks met the requirements for registration. It considers a re-examination of the marks to be unwarranted.
- 5. The applicant filed evidence and written submissions. The proprietor filed written submissions only.

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<sup>&</sup>lt;sup>1</sup> It was called Cemper GmbH when the application for invalidity was filed. Its name was changed to Link Research Tools GmbH on 10 September 2014.

6. The applicant is represented by Murgitroyd & Company. The proprietor is represented by Berry Davies LLP. Neither party asked to be heard. I have, however, received written submissions from the applicant in lieu of a hearing.

## The evidence

7. The applicant's evidence is given by Mr Christoph Cemper, the applicant's "founder and owner". He states that the applicant is:

"A software company specializing in SaaS (""software as a service") software to assist clients with search engine optimisation, link building, Google penalty recovery, link risk management, and competitive analysis. It also offers a full certification programme for Professionals and Agencies to award them our "LRT" certification."

- 8. The applicant was founded in 2003 as an Internet marketing agency. It initially focussed on search engine optimisation ("SEO") consulting and link building but now focuses fully on the former. Its product for "link risk management" is provided under the mark LINK DETOX; this was launched in 2009.
- 9. Mr Cemper states that "link risk" is the generic description for services which provide an algorithmically calculated score to describe the risk of a website's backlink profile for the purpose of SEO. He says this is commonly known as "link risk management services". The term "link risk" has been used to describe its LINK DETOX product since at least January 2012. He adds that this term is understood by the applicant's customers to describe its services. Examples of the applicant (and Mr Cemper himself) using the term "link risk" can be seen in Exhibits CCC01 CCC04 as follows:
  - CCC01 Course materials from a training event held in Munich in January 2012. There were attendees from the US, UK, Australia, Germany and other European Countries. The material is headed "Link Building Experts Workshop". There is a description of "Block 1" of the course which is entitled "Link Risk". There is use of the expression in various contexts in order to describe what the training covers: "Link Risks vs Rewards?", "Do you have just ONE link risk profile?", "How do you determine YOUR link risk profile?", "How can you mitigate link risks?" and "The CEMPER.COM Link Risk Metric".
  - CCC02 Extracts from the applicant's websites cemper.com and linkresearchtools.com, dated 8 January 2012, 22 April 2013 and 24 April 2013 respectively. The print from the earliest of these dates contains the same information as CCC01. The middle dated print contains a document headed "Link Risk Management prepare for the next Penguin Update" and promotes the applicant's LINK DETOX product and includes references to "Link Risk Rating" and "Link Risk Management Tools". The final document contains similar content promoting the Link Detox product and contains a reference to "Link Risk Management". None of these prints show a focus towards the UK.
  - CCC03 Two articles written by Mr Cemper that were published on the website searchengineland.com. The first is dated 5 March 2013 and relates to

the company Interflora who had problems with certain of its links (two weeks before the article) but recovered its position quickly. I will come back to the more technical nature of what this means later. In this 15 page article there is one reference to "Link Risk Management". The second article is dated 23 April 2013 and is headed "Risk management for Links – How to prepare for the next Penguin Update". In this 14 page article there is a single reference to "Link Risk Management". There are frequent references in both articles to toxic/suspicious/bad links. There is nothing to show that the website seachengineland.com is specifically targeted (or accessed) by members of the UK relevant public.

- CCC04 This contains extracts from the website zazzlemedia.co.uk reporting on the IONSearch 2013 (some form of conference) that took place in Leeds on 18/19 April 2013. There are references to "bad links" and that "Link Risk Management needs to be reviewed monthly". Mr Cemper gave a talk on "Risk in link building".
- 10. Mr Cemper states that SEO is a niche field and that link risk management is a niche within a niche. He explains that this is due to the high specialisation and training required to perform the services. He states that many in the field are freelance or small agencies that meet and contribute to communities like "Mozz.com" and do not have full web presences. However, he adds that such entities are aware of the meaning of the expression "link risk" and that they need to be able to use that expression to describe the services they offer. Mr Cemper then provides Exhibit CCC05. This consists of a Google hit list for the search term "link risk" together with prints taken from various other websites, as follows:
  - CCCO5 The Google hits print is not, in my view, particularly helpful. The searches were conducted after the relevant date. The searches have been conducted on google.com not goggle.co.uk. There are many hits where the context of use is not clear. Some clearly do not relate to SEO. Some also relate to "Link Risk" in more of a trade mark manner, which may well be the proprietor's trade mark. I accept, though, that some websites that appear on the hits page use the words link risk in a descriptive manner in a similar way to the evidence already summarised. The extracts from actual websites (as opposed to a hits page) have more potential. However, there is not, again, anything to show that the websites existed at (or before) the relevant date. The websites are:
    - o link-assistant.com which has an extract about "SEO SpyGlass" a product which assists in protecting/recovering a website from Google link penalties. There are references to "very high risks", "risk suspected" or "trusted links", indications which are given after the product analyses the links in the backlink profile of a website. There is a reference to "...chit chat arises around link risks and the way to manage them".
    - o telemarketing.co.uk, which carries an advertorial aimed at Brighton businesses. It encourages the cleaning-up of website backlink profiles.

- It includes references to carrying out "Link Risk Analysis" and "Link Risk Management".
- The Mozz Blog website containing an extract headed "Link Audit Guide for Effective Link Removals & Risk Mitigation". There are references to toxic links. There is a reference to "mitigating potential link-related risks", there is a reference to "link risk diagnosis".
- davidnaylor.co.uk with a page headed "Link Risk Analysis Process Made Easy with Link Detox". There are references to a "link risk report" & "link risk data".
- o searchenginejournal.com with a page headed "Manage Link Risk to Help Recover Search Rankings". There are references to "managing link risk", "plenty of link risk tools being available", "link risk management" and "link risk management tools".
- examiner.com with a page headed "Manage your link risk for better search ranking potential". There are references to "link risk management" and "link risk analysis tools".
- waseoconsultant.com with a page headed "Link Risk Management". It includes references to "Link Risk analysis" and "the role of a link risk manager".
- o contenthunt.com with a page which includes a reference to a "Link Risk Audit".

# **Findings of fact**

# 11. I make the following factual findings:

- i) From a technical perspective, the backlink (an incoming link) profile of a website is important to a business because this impacts upon the ranking its website has on search engines such as Google.
- ii) Google reviews backlinks to assess whether they are genuine or whether they are suspected of being artificial links to boost backlink profiles and the subsequent ranking of a website. Google uses its Google Penguin tool to this effect.
- iii) Google will penalise websites with suspicious links by, for example, reducing website ranking. This finding (and those above) has been ascertained primarily from Mr Cemper's exhibit CC03.
- iv) There is a field of business within SEO in which a service provider will help a business check their backlinks to see what links are at risk of being classed as suspicious/toxic/bad etc. The applicant is one such service provider. It is clear from the specification of the mark in suit that the proprietor is in this field of business.

- v) The expression "link risk' has been used to describe the risk of such links being classed as suspicious. However, the evidence does not paint a huge picture of use and such use is most commonly in conjunction with other words such as link risk management, link risk tools etc.
- vi) Most of the uses of link risk identified in the evidence post date the application to register the trade marks. There is some use from before the relevant date by the applicant, although, I will come back later to a submission of the proprietor that the two parties are competitors and some of the use provided may be "opportunistic".
- vii) Not much of the use has a clear UK-centric bias, but some has.

#### The law

- 12. Section 47(1) of the Act is as follows:
  - "47. (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered."

- 13. Section 3(1) of the Act is as follows:
  - "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:

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."

# 14. Section 1(1) is as follows:

"1(1) In this Act a "trade mark" means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging."

15. I also bear in mind that section 72 of the Act states that registration is *prima facie* evidence of validity. Consequently, the burden of showing that the marks were registered contrary to section 3(1) of the Act falls on the applicant. However, the courts have been keen to stress that a decision maker should not resort to the burden of proof except where, despite having striven to make a decision on the weight of the evidence, he or she finds it impossible to do so<sup>2</sup>.

## The relevant date

16 The relevant date at which to decide whether any of the exclusions set out in section 3(1) of the Act apply is the date on which the application to register the trade marks was filed, namely 4 March 2013.

# Section 3(1)(a) of the Act

17. There is no need to say much about this ground of invalidation. As Mr Geoffrey Hobbs QC (sitting as The Appointed Person) pointed out in *AD2000* [1997] RPC 168, section 3(1)(a) permits registration provided that the mark is "capable" to the limited extent of "not being incapable" of distinguishing. The upshot of this is that if I am satisfied that the mark complies with section 3(1)(b), (c) and (d) of the Act, the section 3(1)(a) ground is bound to fail. Alternatively, if any of the grounds under section 3(1)(b),(c) or (d) succeed the outcome under section 3(1)(a) becomes moot. Either way, there will be no need for me to address the section 3(1)(a) ground separately to the other grounds of invalidation.

## Section 3(1)(d) of the Act

18. In Telefon & Buch Verlagsgesellschaft mbH v OHIM (Case T-322/03) the General Court ("GC") summarised the case-law of the Court of Justice of the European Union ("CJEU") under the equivalent of section 3(1)(d) of the Act as follows:

"49. Article 7(1)(d) of Regulation No 40/94 must be interpreted as precluding registration of a trade mark only where the signs or indications of which the mark is exclusively composed have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought (see, by analogy, Case C-517/99 Merz & Krell [2001] ECR I-6959, paragraph 31, and Case T-237/01 Alcon v OHIM – Dr. Robert Winzer Pharma

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<sup>&</sup>lt;sup>2</sup> See, for example, Verlander v Devon Waste Management Ltd [2007] EWCA Civ 825

- (BSS) [2003] ECR II-411, paragraph 37). Accordingly, whether a mark is customary can only be assessed, firstly, by reference to the goods or services in respect of which registration is sought, even though the provision in question does not explicitly refer to those goods or services, and, secondly, on the basis of the target public's perception of the mark (BSS, paragraph 37).
- 50. With regard to the target public, the question whether a sign is customary must be assessed by taking account of the expectations which the average consumer, who is deemed to be reasonably well informed and reasonably observant and circumspect, is presumed to have in respect of the type of goods in question (*BSS*, paragraph 38).
- 51. Furthermore, although there is a clear overlap between the scope of Article 7(1)(c) and Article 7(1)(d) of Regulation No 40/94, marks covered by Article 7(1)(d) are excluded from registration not on the basis that they are descriptive, but on the basis of current usage in trade sectors covering trade in the goods or services for which the marks are sought to be registered (see, by analogy, *Merz & Krell*, paragraph 35, and *BSS*, paragraph 39).
- 52. Finally, signs or indications constituting a trade mark which have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services covered by that mark are not capable of distinguishing the goods or services of one undertaking from those of other undertakings and do not therefore fulfil the essential function of a trade mark (see, by analogy, *Merz & Krell*, paragraph 37, and *BSS*, paragraph 40)."
- 19. The relevant public for the services here is not the general public. The services are business to business, targeted at those who wish to look after their website rankings by checking their backlink profiles for links which are at risk of being classed as suspicious. Although there is some evidence of the applicant using the term "link risk" before the relevant date, there is no pre-relevant date use by other traders in the applicant's evidence. The proprietor submits that despite this, the evidence still shows that the expression LINK RISK was customary in the trade. The evidence falls a long way short of establishing such a proposition. I cannot hold that the evidence establishes that the term was "customary in the current language or in the bona fide and established practices of the trade" from the viewpoint of the relevant public at the relevant date. Consequently, I reject the ground for invalidation based on section 3(1)(d) of the Act.

#### Section 3(1)(c) of the Act

- 20. The case-law under section 3(1)(c) was summarised by Arnold J. in *Starbucks* (*HK*) *Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch) thus:
  - "91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-51/10 P) [2011] E.T.M.R. 34 as follows:

- "33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is save where Article 7(3) applies devoid of any distinctive character as regards those goods or services (as regards Article 3 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), see, by analogy, [2004] ECR I-1699, paragraph 19; as regards Article 7 of Regulation No 40/94, see Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R. 9; [2004] R.P.C. 18, paragraph 30, and the order in Streamserve v OHIM (C-150/02 P) [2004] E.C.R. I-1461, paragraph 24).
- 36. ... due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94 . Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia , *Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-456/01 P) [2004] E.C.R. I-5089; [2005] E.T.M.R. 44 , paragraph 45, and *Lego Juris v OHIM* (C-48/09 P) , paragraph 43).
- 37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley*, paragraph 31 and the case-law cited).
- 38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94, it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie*, paragraph 38; and the order of 5 February 2010 in *Mergel and Others v OHIM* (C-80/09 P), paragraph 37).
- 39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee [1999] ECR I-2779, paragraph 35, and Case C-363/99 Koninklijke KPN Nederland [2004] ECR I-1619, paragraph 38). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (Koninklijke KPN Nederland, paragraph 57).

- 46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland*, paragraph 86, and *Campina Melkunie*, paragraph 19).
- 47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.
- 48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.
- 49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a 'characteristic' of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms 'the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service', the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.
- 50. The fact that the legislature chose to use the word 'characteristic' highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, Windsurfing Chiemsee, paragraph 31, and Koninklijke KPN Nederland, paragraph 56)."

- 92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97]."
- In its submissions the proprietor states that the mark was coined when the services in question were new or at least they did not enjoy widespread demand. It is argued that they (and the rest of the trade) were coming up with "allusive and clever names" which are not directly descriptive or non-distinctive. It is submitted that care must be exercised to ensure that the trade marks in suit are not imbued with greater meaning than they had at the time of filing. It is clearly correct to exercise such caution given what I have already explained is the relevant date. However, I reject the submission from the proprietor that the examination decision to accept the mark should be upheld because the test for refusing a mark under section 3 of the Act has not changed. On occasion, marks may be accepted against the provisions of section 3 and it is important that checks and balances are in place (such as opposition and invalidation procedures) to remedy such matters. I also reject the proprietor's submission that its mark is even more distinctive today because of the use that has been made of it - the proprietor elected to file no evidence in support of its registration. The proprietor highlights that the evidence filed post-dates the relevant date and that some may be "opportunistic", promoting the applicant's LINK DETOX product. The evidence is not wholly inadmissible, but what I take from it (beyond the findings of fact already made) is set out below.
- 22. In its written submissions that accompanied its evidence the applicant submitted that even though much of the evidence post-dates the relevant date, it still shows that the term was common in the trade at the relevant date. I have already rejected that submission. However, I note from the applicant's submissions filed in lieu of a hearing its reference to the *OHIM v Wrigley* judgment. This judgment explains that current use is not, in any event, required, so long as the expression may (in the foreseeable future) be required by other traders. The applicant submits that the use that has now been made demonstrates that the expression was (and still is) required for the descriptive use by others. It submits that there is a clear "inter-dependence between the descriptive expression "link risk" and the services in question" with the marks describing "risks posed by links and the risks faced by a website user due to an Internet link on its website which links to the website of another".
- 23. Both the words LINK and RISK have clear and understood meanings in general parlance. However, in relation to the services at issue, those meanings become even more exact. This is due to the precise and specialised nature of the services. Measured from that perspective, the word LINK denotes the link(s) to the website of the potential customer and RISK denotes the risk of those links from being classed as suspicious. I do not consider there to be any ambiguity in the words that make up the mark. Indeed, the specification of the mark in suit includes the words "...describe the risk of a website's backlink profile". An average consumer of the services in question will know what the "link" being referred to is, and what "risk" is being referenced. However, I must considerer the combination LINK RISK. The proprietor accepts that it is allusive (but not descriptive) whereas the applicant considers it descriptive. I must consider if "it is reasonable to believe that [the phrase link risk] will

actually be recognised by the relevant class of persons as a description of one of those characteristics". I come to the view that it will. An average consumer in the market for a service which calculates a score so as to describe the risks of a website backlink profile will recognise the phrase "link risk" to denote exactly that. It is describing the intended purpose or the fruit gained from using the service, the provision of a risk assessment for the links that point towards a business's website. The business world is full of risks: financial risk, reputational risk, staff risks, etc. Whilst not in exactly the same sense as this, the phrase "link risk" will be seen in a similar manner. An indication that the service will assess, through its algorithmic score, a link's risk. LINK RISK will be seen purely as a description, be it for either the business services in class 35 or the technical service in class 42. Whilst I do not consider it necessary to place a great deal of weight on this, the fact that others (even if not all of them are in the UK) have used the expression in contexts such as "link risk management" supports the finding as to the perception of the relevant public at the relevant date. Whilst I understand the point that caution should be exercised (caution that has been duly deployed) given that some of the use points to the applicant's product, I am not satisfied that this was for opportunistic purposes. The types of use appear to be honest use of descriptive language.

- 24. I bear in mind that the two marks in question are Link Risk and linkrisk. However, there is nothing unusual in the way Link Risk has been presented. It is just standard upper and lower casing. Similar observations apply to linkrisk, but I additionally take account of *Koninklijke KPN Nederland NV v Benelux-Merkenbureau*<sup>3</sup> where the CJEU considered a question as to whether a new word made up of elements each of which is descriptive of a characteristic of the goods/services is to be regarded as distinctive or non-distinctive. The court's judgment stated that:
  - "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 not be descriptive within the meaning of Article 3(1)(c) of the Directive, provided that 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".
- 25. linkrisk does not create a new word that is sufficiently far removed from the descriptive words link risk.

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<sup>&</sup>lt;sup>3</sup> Case C-363/99

26. I therefore find that both marks were registered contrary to section 3(1)(c) of the Act.

# Section 3(1)(b)

- 27. The principles to be applied under article 7(1)(b) of the CTM Regulation (the equivalent of article 3(1)(b) of the Trade Marks Directive and section 3(1)(b) of the Act) were summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* (C-265/09 P) thus:
  - "29...... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P Henkel v OHIM [2004] ECR I-5089, paragraph 32).
  - 30. Under that provision, marks which are devoid of any distinctive character are not to be registered.
  - 31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel* v *OHIM*, paragraph 34; Case C-304/06 P *Eurohypo* v *OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi* v *OHIM* [2010] ECR I-0000, paragraph 33)."
- 28. A trade mark with a descriptive character for the services at issue is necessarily devoid of any distinctive character for the purposes of section 3(1)(b). Therefore, the registration of the mark must be invalid on this ground too.

#### Conclusion

29. The trade mark is invalid and, subject to appeal, the registration will be cancelled.

#### Costs

30. The applicant has been successful and is entitled to a contribution towards its costs. In the circumstances I award the applicant the sum of £1700 as a contribution towards the cost of these proceedings. The sum is calculated as follows:

Filing the application for invalidation and considering the counterstatement: £400

Official Fee £200

Filing evidence £800

Filing written submissions (I make an award for just one set as they were largely duplicative): £300

31. Subject to appeal, I therefore order Business Analysis Software Limited to pay Link Research Tools Gmbh the sum of £1700. The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the conclusion of any appeal.

Dated this 5th day of March 2015

Oliver Morris
For the Registrar