

O-788-19

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NO 3362508
BY BORDERFREE TRADE LIMITED
TO REGISTER THE FOLLOWING TRADE MARKS IN CLASSES 9, 35, 38, and 42.**

SimplyVAT.com

SIMPLYVAT.COM

(Series of two)

Background

1. On 20 December 2018, Borderfree Trade Limited ('the applicant') applied to register the above trade marks, as a series of two, for the following goods and services:

Class 09: Tax preparation software; VAT preparation software; Computer application software; Application software; Software applications; Web application software; Business application software; Information retrieval applications; Computer application software for use as an application programming interface [API]; Computer application software for the preparation of domestic and international VAT preparation, registration, filing and submission; Document automation software; Artificial intelligence and machine learning software; Machine learning software for finance; Machine learning software for tax preparation; Machine learning software for the preparation, registration, filing and submission of VAT returns; Computer software for the verification of VAT compliance; Computer software, namely database software, spreadsheet software, software for use in assisting in tax collection and reporting tax information and taxable events; Computer software for accounting, for calculating sales and use tax, managing sales and use tax exemptions certificates, calculating sales and use tax returns, filing sales and use tax returns, providing sales and use tax rates, and for the preparation, filing, archiving and accessing of state and local tax returns; Computer software for the analysis of transactions, auditing, audit preparation, audit planning, audit documentation, audit reporting, and audit management relating to state and local tax compliance; Electronic data files featuring sales and use tax information downloadable via a website; Business sales and use tax forms downloadable via a website; Computer software for the preparation, filing, archiving and accessing of state, global and local tax returns..

Class 35: Online services, namely tax consultation in the nature of providing information relating to tax collection and reporting requirements; VAT compliance services; Tax services, namely, preparing and filing state, global and local tax returns; Preparation of documents relating to taxation: Administrative data processing; Tax returns (Preparation of-); Tax return advisory services; Tax filing services; Advisory services

relating to tax preparation; Consultancy, advisory and information services relating to all the aforesaid services.

Class 38: Electronic delivery of tax documents and documentation relating to tax collection and reporting requirements; consultancy, advisory and information services relating to all the aforesaid services.

Class 42: Software as a service [SaaS]; Application service provider featuring software for use in preparing tax returns and filings and for use in determining tax rates and tax reporting and collection requirements, uploading transactional data, company and vendor information, and producing notifications and reports; Consultancy, advisory and information services relating to all the aforesaid services.

2. On 2 January 2019, the Intellectual Property Office ('IPO') issued an examination report in response to the application. The examination report contained objections under sections 3(1)(b) and (c) of the Trade Marks Act 1994 ('the Act').
3. The section 3(1)(c) objection was raised on the basis that the mark consists exclusively of signs which may serve in trade to designate the kind and intended purpose of the goods/services, e.g. downloadable publications, software and tax advisory services provided by a company which specialises in Value Added Tax. The examination report acknowledged the suffix '.com', but concluded that the average consumer had become familiar with domain names, and would not see this element as giving the mark a distinctive element. The Section 3(1)(b) objection was effectively a consequence of the Section 3(1)(c) objection.
4. On 2 January 2019, Mr Muhammad Abdulla of Trademark Brothers Ltd, who is the applicant's representative in this case, filed submissions contesting the objection. In the response the applicant submitted that a Google search for the words 'Simple' plus 'VAT', or 'Simply' plus 'VAT', would return hits showing the applicant as the market leader, peppering most pages of Google with their website or news and articles about them. The applicant disagreed that the term 'Simply VAT' would be considered to refer only to products and services related to Value Added Tax. The applicant submitted that the services they provide are not "simple" at all, as VAT is a rather complicated process, but by virtue of using their services the applicant could *make* the process simple. The applicant also submitted that the mark had acquired distinctiveness out of the goodwill it has built amongst consumers. The applicant also made reference to previously registered marks which were felt to be purely descriptive, with the assumed intention to argue that descriptive marks have been/can be registered.
5. On 25 January 2019, the examiner replied maintaining the objection, referring to the fact that the term 'Simply' is defined in the Oxford English Dictionary as meaning "*In a plain or straightforward manner; merely: just*". The examiner argued that the relevant consumer would perceive the mark as relating to a company which specialises just or merely in VAT. The examiner referred to the cited earlier registrations, responding essentially by stating that they are not considered to be on a par with, or as equally descriptive as, the current application. The applicant was informed of the possibility to file evidence of acquired distinctiveness, or to request a Hearing.
6. On 24 March 2019, a Witness Statement by Claire Taylor, Director and CEO of Borderfree Trade Limited, was submitted. This was followed by the exhibits referred to

in the Witness Statement being received on 4 April 2019. The Witness Statement explained:

- The mark SimplyVAT.com was first used in the UK as the trading name of the applicant Borderfree Trade Limited in January 2014.
- SimplyVAT.com provides international VAT solutions to online retailers trading internationally.
- The use of the words SimplyVAT.com were “deliberately chosen to highlight the focus of the company to provide simple, easy-to-understand VAT compliance services to online retailers – hence the use of .com in the trading name”.
- Annual sales of the goods/services between January 2014 – December 2019 were £1,324,000.
- Annual expenditure on promoting the goods/services between January 2014 – December 2019 was £1,384,000.
- Turnover has doubled each year since inception. Year End 2018 turnover was £697,000, and it is projected to be £1.2 million in September 2020.
- SimplyVAT.com has over 700 clients in 50 countries worldwide.
- SimplyVAT.com has a partnership with the Department of International Trade and the Institute of Export in the UK. It also has partnerships with global currency and logistic companies.
- SimplyVAT.com was shortlisted for British Small Business Awards in 2018.
- The mark SimplyVAT.com has appeared on the company’s own website www.simplyvat.com (in January 2014), as well as on other websites being: www.businessinbrighton.org.uk/event/ecommerce-how-make-your-online-business-international (in September 2014); www.virginstartup.org/be-Inspired/simply-vat (in September 2016); www.globalfromasia.com/cross-bordersummit2017/ (Shenzhen, China, in April 2017); opentoexport.com/article/international-vat-essentials-services/ (in February 2018); www.gs1uk.org/our-industries/news/2018/08/02/webinar-expanding-globally-in-ecommerce--vat-and-localisation (in August 2018); and europeanseller-conference.com/#speakers (Czech Republic, in March 2019).

7. The Witness Statement was accompanied by snippets and cutting from websites. They were neither directly nor specifically referred to in the Witness Statement, but it is understood that they were intended to indicate recognition of the mark within the ecommerce industry.

- The first reference was a screenshot of a video from YouTube, with the title ‘Amazon Sellers Webinar: Alex Wyatt of Simplyvat’, dated 8 April 2018.
- The second is a screenshot of a video by Private Label Insider Magazine, with the title ‘Simply Vat talks to Brandon Andrews from Private Label Insid...’, dated 29 March 2018. It had 149 views.
- The third snippet is the blog question “*Anyone Registered for the New German Tax Certificate now in Jan...*”, posted at sellercentral-europe.amazon.com, dated 31 January 2019. “Simply VAT have just done a blog about this topic this morning” is written in the answer to the question.
- The fourth is a blog question to ‘The Amazon Seller’, which asks “*VAT Registration and Filling Service – Can someone guide me on who they are using for VAT registration and filling?*”. The mark SimplyVAT was referred to as an option.
- The fourth contains a selection of additional blog posts where the term SimplyVAT is referred to.
- The fifth is a snippet from Trustpilot, giving SIMPLYVAT.com a 5-star rating. This is based on 1 review.
- The sixth is the front page of a brochure called ‘Module One: International Vat’. A stylised version of a ‘SIMPLY VAT.com’ mark appears on the bottom left. There

then follows two snippets from website search results. The first is from www.esport.org.uk and is titled 'The VAT implications of selling via multi-channels in the European ...', with www.simplyvat.com being referred to as an option for help, dated 12 June 2017. The second is from www.sussexchamberofcommerce.co.uk and is titled 'VAT in International Trade, Training course with SimplyVAT.com', with [SimplVAT.com](http://SimplyVAT.com) referred to as hosting a VAT focused course.

- The final web-page extract is from GS1 UK -The Global Language of Business, with reference to a blog from [SimplyVAT](http://SimplyVAT.com), dated 9 May 2018.
8. On 17 April 2019, the examiner informed the applicant that the objections would not be waived. The objection was maintained as it was considered the relevant consumer would perceive the trade mark as sending the message that the company is focused simply on VAT and VAT compliance, in an easy-to-understand and simple format. In addition, the examiner did not consider that the evidence showed the mark had acquired distinctiveness in the UK. The examiner referred to the fact that the company appeared to have spent more on promotion and marketing (£1, 384,000) than it had earned through the sales of its goods and services (£1,324,000). Further, the examiner identified that the dates for the marketing and sales figures both ended December 2019, which is 1 year after the date of filing, and 9 months after the Witness Statement. As an aside, and upon further review, there appears to be a lack of consistency in relation to these specific figures. Whilst points 5 and 6 of the Witness Statement include the wording "...before the date of application were as follows", the subsequent financial figures are dated from January 2014 – December 2019. Considering the fact that the date of application was December 2018, there appears to be inconsistency between the dates and information provided.
 9. Finally, the examiner made reference to the fact that in the Witness Statement the applicant states: "the use of the words SimplyVAT.com were deliberately chosen to highlight the focus of the company to provide simple, easy-to-understand VAT compliance services to online retailers – hence the use of .com in the trading name". In this respect, the examiner felt that this statement reinforces the descriptiveness objection.
 10. A Hearing was requested and was subsequently held on 21 June 2019. The applicant Ms Claire Taylor was in attendance along with her attorney, Mr Muhammad Abdulla. At the Hearing, Mr Abdulla referred to examples of earlier registered marks which include '.com' suffixes, such as 'webuyanycar.com' and 'notonthehighstreet.com'. Mr Abdulla argued that such signs set a precedent that descriptive terms could be registered if they were followed by '.com'. I explained that I was unaware of the reasons for their registration, however, I suggested that a possible reason for their registration was the potential addition of distinctive figurative elements, or as a result of evidence of acquired distinctiveness having been successfully proven.
 11. Mr Abdulla submitted that the element '.com' adds distinctive character as it is extremely difficult to register anything with '.com' as a trading name, meaning that a successfully registered trading name containing '.com' should equate to a distinctive trade mark. I explained that registering a company name, or even a domain name, does not automatically result in a successful trade mark application, especially if the trade mark is found to be descriptive in the prima facie. In addition, I argued that the presence of '.com' is likely to be perceived by the relevant consumer as simply indicating that the services are provided online.
 12. Ms Taylor explained that her company provides VAT solutions on an international scale in a simple format, and that she chose the sign SimplyVAT.com because she wanted

a trade mark which reflects the services she provides and which indicates what her company does. I explained that signs which merely describe the services applied for are objectionable under Section 3(1)(c) of the Trade Marks Act 1994.

13. Mr Abdulla referred to the fact that the term 'Simply' essentially means 'easy', whereas VAT is extremely complicated. Mr Abdulla argued, therefore, that the term 'Simply' cannot be considered to refer descriptively to the services, as VAT is an extremely complicated area. I agreed that calculating VAT could be a complicated process, but it is for this very reason that the consumer will interpret the sign to be purely descriptive if they come across it when searching online for a simplified explanation and process on how to calculate their VAT. I argued that if a person who finds VAT confusing or complicated is looking for an easier explanation or option for calculating it, then the term 'Simply' is likely to attract their attention. I also argued that the sign SimplyVAT.com could be understood as referring to the fact that the online services deal exclusively ("simply" or "only") with VAT.
14. At the Hearing I explained that I found the concept of the sign SimplyVAT.com to be descriptive of an online service which deals simply with VAT, or in the alternative, I found the sign to be at least non-distinctive in the sense that it will be seen by the relevant consumer as referring to goods and online services which make VAT more simple. I deferred the final decision at the Hearing as I wished to consider if the mark was objectionable for the entire list of goods and services, or only partially. In addition, I made it clear at the Hearing that I did not consider the evidence to be sufficient.
15. In my hearing report, I confirmed that I found the mark to be purely descriptive for all of the services applied for in Class 35. I also found the mark to be descriptive of the services in Class 38, as they could be categorized as services which relate to the delivery and documentation of the VAT returns. In addition, I found the mark to be descriptive of the services in Class 42, as the provision of software as a service, and the related specific information, was clearly directed towards tax in general, which would include VAT.
16. I did, however, conclude that the sign could not be considered to be purely descriptive of the goods, as the implication of an online presence via the suffix '.com' meant there was no directly descriptive message in relation to a more tangible good such as software. I nevertheless found the mark to be non-distinctive for the goods in Class 9 on the basis that because all the services applied for related to the calculation, transaction and return of VAT the goods would likely facilitate such actions, especially considering the fact that the goods are *software* and, more specifically, *tax preparation software*.
17. During the Hearing the applicant had requested the opportunity to file a limitation if the objection was maintained in order to attempt to overcome it. This was granted in the Hearing Report.
18. On 21 August 2019, instead of filing a limitation, the applicant filed submissions relating to the goodwill they have built up and further argument to support their claim that distinctiveness had been acquired through use of the mark. Although the evidence was not accompanied by a witness statement, and although additional submissions had not been invited, I nevertheless considered the points contained within the submissions. The information claimed the applicant had 290 clients based in the UK, with a further 540 based around the globe. Spending and turnover figures were provided, although they extended to a period of time after the filing date (turnover of £695,071 and marketing costs of £20,754 as of 31 July 2019). The general company

turnover and investment figures were also provided and had been revised since the Witness Statement of Ms Claire Taylor. The additional information stated that since the inception of the company, the turnover to date is £1,337,000, with investment from investors, which amounts to £255,000. The applicant also claimed that its new investment pitch was in excess of £7m, and the business had received expressions of interest worth around £4m. Regarding the information provided relating to “in-person training for professionals through the Institute of Export” this was also from a post-application date, being 26 July 2019. Similarly, the Twitter evidence post-dates the application date and indicated that two “tweets” had only been “retweeted” 2 and 4 times, and “liked” only 3 and 6 times respectively. The applicant’s final submissions were:

“You will be able to see that their main market is not appealing to labourers doing VAT returns, but rather companies that have more complex cross-border VAT issues and making those a lot easier and manageable for them”.

19. On 28 August 2019, I wrote to Mr Abdulla maintaining the objection on the basis that the evidence was insufficient for the purposes of proving acquired distinctiveness and I refused the mark under Section 37(4) of the Trade Marks Act 1994 on the basis that the mark is purely descriptive for the services and non-distinctive for the goods.
20. On 12 September 2019, the applicant filed a Form TM5. The form identified that the appeal was based on the Registrar’s decision at examination stage. No further information was supplied.

Decision

21. The relevant parts of section 3 of the Act read 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.”

The relevant legal principles - Section 3(1)(c)

22. There are a number of judgments from the CJEU which deal with the scope of Article 3(1)(c) of First Council Directive 89/104 (recoded and replaced by Directive

2008/95/EC on 22 October 2008) and Article 7(1)(c) of the Community Trade Mark Regulation (the 'CTMR'), whose provisions correspond to section 3(1)(c) of the UK Act.

23. The main guiding principles which are relevant to this case are noted below:

- 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' are to be interpreted as meaning, 'could' the sign in question serve in trade to designate characteristics of the goods/services, see e.g. BL O/096/11 'Putter Scope', a decision of the Appointed Person at para 11;
- Article 7(1)(c) (section 3(1)(c)) pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all. The provision therefore prevents such signs or indications from being reserved to one undertaking alone because they have been registered as trade marks (see judgment of 4 May 1999 in Joined cases C-108/97 and C-109/97 *Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) v Boots-und Segelzubehör Walter Huber and Franz Attenberger (Chiemsee)* [1999] ECR I-2779, at paragraph 25).
- It is also a well-established principle that the Registrar's role is to engage in a full and stringent examination of the facts, underlying the Registrar's frontline role in preventing the granting of undue monopolies, see to that effect CJEU Case C-51/10 P, *Agencja Wydawnicza Technopol sp. z.o.o. v OHIM* [2011] ECR I-1541 (*Technopol*).
- 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 and services in question or one of their characteristics - see CJEU Judgment C-468/01 P to C472/01 P *Procter & Gamble Company v OHIM* (Three-dimensional tablets for washing machines or dishwashers) at paragraph 39, and General Court Judgment T-222/02 *Robotunits* at paragraph 34.
- In light of all the foregoing, a sign's descriptiveness cannot be assessed other than by reference to the goods or services concerned, on the one hand, and by reference to the understanding which the relevant persons have of it, on the other (see judgment of 15 October 2003 in Case T-295/01 *Nordmilch eG v OHIM* ('Oldenburger') [2003] ECR - 4365, at paragraphs 27 to 34).

Application of legal principles – Section 3(1)(c)

The mark in the prima facie

24. The series of two marks applied for consists of SimplyVAT.com and SIMPLYVAT.COM. For ease of reference, when referring to the application for two marks, I will only use the term SimplyVat.com, as the marks are considered to be conceptually identical.
25. The term 'SimplyVat.com' consists of the words 'Simply', 'Vat' and the suffix '.com'. The words are likely to be immediately understood by the majority of the UK population, as they are relatively basic, and are neither particularly unusual nor habitually misunderstood. Placing the terms together is unlikely to cause any major confusion, and certainly does not create a neologism which is the sum of more than its constituent parts. I consider it to be highly likely that the first element of the sign will be understood as referring to just/exclusively/"Simply" Value Added Tax. The addition of the suffix 'com' will not, in my opinion, add distinctive character to the sign, but rather will be immediately understood by the majority of relevant consumers as indicating that the services are available online. This is because '.com' is almost universally recognised as identifying a domain name, thus informing the consumer that the services have an online presence. In the majority of instances, the sign will be understood as indicating that the goods and services deal just/exclusively/"Simply" with Value Added Tax, which is available online. In the alternative, and if I am incorrect that the mark is purely descriptive, I consider the mark to be devoid of any distinctive character and would merely inform consumers that the services assist in simplifying Value Added Tax, which are available online.
26. It is my opinion that the descriptive message would be immediately understood by the relevant UK consumer in general, whose understanding of the term will be dictated by their knowledge of the word's meanings and their innate knowledge of English grammar rules. For the avoidance of doubt, I also consider that this will be the perception of the relevant consumer of the goods and services applied for, who may be considered specialist to the extent that they have a specific interest in Value Added Tax. An assessment of the relevant consumer is important in coming to a conclusion as to the likely perception of the mark in the first instance. In *Matratzen Concord AG v Hukla Germany SA*, C-421/04 (*Matrazen*), the CJEU stated that:

"...to assess whether a national trade mark is devoid of distinctive character or is descriptive of the goods or services in respect of which its registration is sought, it is necessary to take into account the perception of the relevant parties, that is to say in trade and or amongst average consumers of the said goods or services, who are reasonably well informed and reasonably observant and circumspect, in the territory in respect of which registration is applied..."
27. I am also mindful of the decision of the General Court (formerly the Court of First Instance) in *Ford Motor Co v OHIM*, T-67/07 where it was stated that:

"...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 category of goods and services in question or one of their characteristics".

28. The objectionable services are either specifically stipulated as relating to tax, or in the alternative, are so broad as to easily facilitate such a specific interest. With this in mind, I find it appropriate to conclude that the consumer would be more specialised, with an interest in tax, which would include Value Added Tax. Considering my initial opinion that the general consumer would be given a clear message by the combination of terms, such an understanding is certainly increased for a public who have a heightened interest in the specific field of tax.
29. The applicant disagreed that having something called SimplyVAT “certainly has to relate to products and services related to Value Added Tax”. The provisions of Section 3(1)(c) facilitate the taking of objections against marks which “may serve in trade” to designate a characteristic of the relevant goods or services, notably in a descriptive context. Considering the fact that tax related services have been applied for, I find it highly likely that the relevant consumer will interpret the term VAT as exclusively referring to Value Added Tax in this context.
30. On several instances during the written and oral submissions, the applicant argued that VAT is a complicated field which cannot be considered to be simple. This argument was frequently followed by the statement that the complicated VAT process can be simplified by virtue of using the applicant’s services. In her Witness Statement of 24 March 2019, Ms Claire Taylor submitted: “...**the words SimplyVAT.com were deliberately chosen to highlight the focus of the company to provide simple, easy-to-understand VAT compliance services** to online retailers – hence the use of .com in the trading name” [emphasis added]. Also, in the applicant’s final submission of 21 August 2019, Mr Muhammad Abdulla stated: “You will be able to see that their main market is not appealing to labourers doing VAT returns, but rather **companies that have more complex cross-border VAT issues and making those a lot easier and manageable for them**” [emphasis added]. I consider these statements to reinforce my finding that the sign SimplyVAT.com will be considered by the relevant consumer to be descriptive for services which deal exclusively with tax, or at least not distinctive for services intended to simplify tax, as this would appear to be the exact purpose of the goods and services applied for.
31. Based on all of the above, and having taken careful consideration of the submissions from the applicant, I find the mark applied for will be viewed as a term which directly designates a characteristic of online tax related services in Classes 35, 38 and 42 which deal just/exclusively/’Simply’ with VAT.

The relevant legal principles - Section 3(1)(b)

32. The Court of Justice of the European Union (‘CJEU’) has repeatedly emphasised the need to interpret the grounds of 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 (*Bio ID v OHIM*, C-37/03P paragraph 59 and the case law cited there and, more recently, *Celltech R&D Ltd v OHIM*, C-273/05P).
33. 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 provision referred to above) the Court has held that “...the public interest... is, manifestly, indissociable from the essential function of a trade mark”, *SAT.1 SatellitenFernsehen GmbH v OHIM*, C-329/02P. 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 judgement). Marks which are devoid of distinctive character are incapable of fulfilling that essential function.

34. Section 3(1)(b) must include within its scope those marks which, whilst not designating a characteristic of the relevant goods and services (i.e. not being necessarily descriptive), will nonetheless fail to serve the essential function of a trade mark in that they will be incapable of designating origin. In terms of assessing distinctiveness under section 3(1)(b), the ECJ provided guidance in *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (Postkantoor) C-363/99 where, at paragraph 34, it stated:

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 55/01 Linde and Others [2003] ECR I- 3161, paragraph 41, and C-104/01 Libertel [2003] ECR I-3793, paragraphs 46 and 75).

35. One must also be aware that the test of distinctive character is one of immediacy or first impression, as confirmed by the European Court of First Instance (now the General Court) which, in its decision on *Sykes Enterprises v OHIM*, T-130/01 (Real People Real Solutions), stated the following:

...a sign which fulfils functions other than that of a trade mark is only distinctive for the purposes of Article 7(1)(b) of Regulation No 40/94 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.

Application of legal principles - Section 3(1)(b)

36. As identified above, the combination of terms SimplyVAT.com is considered to directly describe services dedicated only/just "Simply" to dealing with Value Added Tax. Whilst this message cannot be considered to be directly descriptive of the goods due to the addition of the domain name indicator '.com', I nevertheless find the mark to be non-distinctive for the goods. The goods are designed and intended to assist and support in the provision of a website dedicated to VAT. The goods applied for are more than peripheral or closely allied, as they are almost obligatory and essential in enabling the applicant's services to function. There is an innate and perceived closeness between the services and the goods. The relevant consumer, when encountering the words SimplyVAT.com on or in relation to applications and software which are indispensable for enabling the VAT dedicated website to function, will simply take these words as a reference to the services which the goods facilitate, rather than as an indication of origin. This also applies to '*Business sales and use tax forms downloadable via a website*' in Class 9, which are intricately and inextricably linked to the applicant's services.
37. In coming to this decision I have considered the judgment of 12 December 2013, C-70/13 P, *PHOTOS.COM*, which found no error in, and endorsed the view of, the General Court's judgment T-338/11, when it decided:

25 *The parties agree on the fact that the word mark PHOTOS.COM, considered as a whole, reproduces the characteristic structure of a second-level domain name (“photos”) and a TLD [top level domain] (“com”), separated by a dot. As the Board of Appeal pointed out, that mark has no additional features – in particular, graphic features – because the dot is typically used to separate the second level domain from the TLD.*

26 ***Furthermore, the addition of the element “.com” to the word “photos”, which is descriptive and devoid of distinctive character, does not render the sign distinctive as a whole.*** As the Board of Appeal pointed out, the distinctive part of a domain name is not the TLD, which is generic, but the second-level domain – which, in the present case, is devoid of distinctive character.

27 *Additionally, it is important to note that, even if the registration of a sign as a Community mark is not conditional upon a finding of a certain level of linguistic or artistic creativity or imaginativeness on the part of the proprietor of the trade mark, the fact remains that – as the Board of Appeal found – there is no additional element to support the conclusion that the combination created by the commonplace and customary components “photos” and “.com” is unusual, fanciful or might have its own meaning, especially in the perception that the relevant public might have of the goods and services concerned (see, to that effect, [DeTeMedien v OHIM], paragraph 32).*

28 *Accordingly, in the absence of special characteristics peculiar to the sign at issue, the relevant public’s perception of that sign will be no different from its perception of the combination of the two words comprising the sign. It follows that, as the Board of Appeal rightly pointed out, the relevant public will not be able to distinguish the goods and services covered by the trade mark application from goods and services of a different commercial origin. Consequently, the sign is devoid of distinctive character.’*

38. Taking into account the above decision, and considering the element suffix ‘.com’ within the mark, when viewed as a whole, I do not believe it adds sufficient distinctiveness to the mark in such a way, that enables it to function as a trade mark. I therefore find the sign to be non-distinctive for the goods in Class 9, effectively determining that the application is objectionable in its entirety and in the prima facie.

Legal principles of acquired distinctiveness

39. The applicant has filed evidence throughout the proceedings for the purposes of indicating that distinctiveness has been acquired through use, including filing further submissions in this regard in the ultimate correspondence, instead of the invited limitation.
40. The evidence was deemed to be insufficient in the Hearing Report of 21 June 2019, and the additional submissions of 21 August 2019 were similarly found to be insufficient. I will therefore set out my reasons for maintaining the evidence is insufficient for demonstrating acquired distinctiveness.
41. The CJEU provided guidance in *Windsurfing Chiemsee* (see judgment of 4 May 1999 in Joined cases C-108/97 and C-109/97) about the correct approach to the assessment of distinctive character acquired through use, setting out the relevant test in paragraph 55:

“...the first sentence of Article 3(3) of the First Directive 89/104/EEC is to be interpreted as meaning that:

- *A trade mark acquires distinctive character following the use which has been made of it where the mark has come 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 goods of other undertakings;*
- *In determining whether a trade mark has acquired distinctive character following the use which has been made of it, the competent authority must make an overall assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings;*
- *If the competent authority finds that a significant proportion of the relevant class of persons identify goods as originating from a particular undertaking because of the trade mark, it must hold the requirement for registering the mark to be satisfied;*
- *Where the competent authority has particular difficulty in assessing the distinctive character of the mark in respect of which registration is applied for, Community law does not preclude it from having recourse, under the conditions laid down by its national law, to an opinion poll as guidance for its judgment.”*

42. I am also mindful of the CJEU decision in *Bovemj Verzekeringen NV v Benelux Merkenbureau (Europolis) C-108/05*, where it was held that a trade mark may be registered on the basis of acquired distinctiveness “...only if it is proven that the trade mark has acquired distinctive character through use throughout the territory of a member state”.

43. The proviso to section 3 based on acquired distinctiveness does not establish a separate right to have a trade mark registered. It allows an exception to, or derogation from, the grounds of refusal listed in section 3(1)(a) - (d) and as such, its scope must be interpreted in light of those grounds of refusal - see e.g. case T-359/12 *Louis Vuitton Malletier v OHIM* and case law referred to at para [83]. The established principles to consider when assessing a claim to distinctiveness acquired through use can be summarised as follows:

- Mere evidence of use, even if substantial, does not make the case for acquired distinctiveness.
- A significant proportion of the relevant consumers need to be educated that the sign has acquired distinctiveness.
- If, to a real or hypothetical individual, a word or mark is ambiguous in the sense that it may be distinctive or descriptive then it cannot comply with the requirements of the Act for it will not provide the necessary distinction or guarantee.
- It follows that, with regard to the acquisition of distinctive character through use, the identification by the relevant class of persons of the product or service as originating from a given undertaking must be as a result of the use of the mark as a trade mark. The expression ‘use of the mark as a trade mark’ in section 3 refers solely to use of

the mark for the purposes of the identification, by the relevant class of person, of the product as originating from a given undertaking.

- Acquired distinctiveness cannot be shown by reference only to general, abstract data such as predetermined percentages (see also *Chiemsee* (para [52]) case and others).
- The mark must have acquired distinctiveness through use throughout the territory of the UK.

44. Also of relevance is the consideration that since a trade mark enjoys protection as of its filing date, and since the filing date of the application for registration determines the priority of one mark over another, a trade mark must be registrable on that date. Consequently, the applicant must prove that distinctive character has been acquired through use of the trade mark prior to the date of application for registration (judgments of 11/06/2009, C-542/07 P, *Pure Digital*, EU:C:2009:362, § 49, 51; and 07/09/2006, C-108/05, *Europolis*, EU:C:2006:530, § 22).

Application of the legal principles - acquired distinctiveness

45. The applicant has submitted varying figures for turnover and marketing/investment. In the initial submission, the values given were £1,324,000 from the sales of goods and services, and £1,384,000 invested in promotion and marketing. These figures were amended in the final submission, to £1,337,00 turnover since the inception of the company. Having considered the information and figures provided, there is no indication of what proportion of these figures relate specifically to the UK, other than in the applicant's supplementary information filed after the Hearing, where the figures were amended to turnover of £695,071 in the UK for the year ending 31 July 2019, and a marketing expenditure of £20,754 for the same period. Although these new figures go some way to support the applicant's position that the applicant company is expanding, it is important to bear in mind that these figures are calculated from a period which post-date the application date of 20 December 2018 by 7 months. As identified in the cited case-law above (C-542/07 P, *Pure Digital*, and C-108/05, *Europolis*), evidence of acquired distinctiveness must prove that distinctive character has been acquired through use of the trade mark prior to the date of application for registration. Further, and in any case, even if the figures are taken into consideration, I am not of the opinion that these figures are substantial. The advertising expenditure of £20,754 does not, in my opinion support the notion of considerable investment, especially because this figure is likely to be substantially less if it didn't include the period of 7 months after the date of application. I consider the same to apply for the turnover figures. If I consider the turnover figure of £1,337,000 relates exclusively to that earned from UK business, this would equate to roughly £267,400 annually from January 2014 to December 2018. Furthermore, and as stated in respect of the advertising spend, this figure is also likely to be less if based on a period before the date of application and not beyond it. Taking into consideration all the above and the scope of the applicant's goods and services, this figure appears to be relatively low in the relevant sector.

46. Other financial figures provided by the applicant include reference to a new investment pitch of £7m, which has apparently already received expressions of interest of £4m. It is assumed that "new investment pitch" and the respective potential for investment post-date the trade mark application, in which case the information carries little weight

in persuading me that distinctiveness had been acquired prior to the date of application.

47. The exhibits submitted with the Witness Statement of Ms Claire Taylor have been summarised in paragraph 45 above. The information contained within them does not lend itself to indicating distinctiveness has been acquired as a result of use of the mark. As is the case with the financial figures, certain exhibits refer to information from a period of time after the filing date or are undated. In addition, the information is essentially snippets or snapshots of the term SimplyVAT.com with little explanatory context to support exposure of the sign in the relevant marketplace. Several of the occurrences of the term SimplyVAT.com appear in blogs, which have limited probative value. Further, and in particular, the Trustpilot review of 5 stars is based on 1 rating, and the Twitter evidence, which post-dates the application date at 26 July 2019, refers to only two “tweets” which have only been “retweeted” 2 and 4 times, and “liked” only 3 and 6 times respectively. Whilst evidence of use made of the trade mark after the date of application should not be automatically disregarded, to the extent that it may provide indicative information regarding the situation prior to the date of application (see judgment of 28/10/2009, T-137/08, Green/Yellow), it is nevertheless essential for the evidence to indicate that distinctive character had been acquired through use of the mark prior to the date of application. This is because a trade mark enjoys protection as of its filing date, and since the filing date of the application for registration determines the priority of one mark over another, a trade mark must be registrable on that date (see judgments of 11/06/2009, C-542/07 P, Pure Digital; and 07/09/2006, C-108/05, Europolis)
48. In short, the evidence does not contain the market share held by the mark; it does not indicate how intensive or geographically widespread use of the mark has been in the UK; it does not identify the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; nor does it include statements from chambers of commerce and industry or other trade and professional associations. I appreciate of course that this is not intended to be a ‘tick box’ exercise, whereby the absence or lack of clarity in any one or several of the above would bring down the whole case. Nor is it an exact science whereby we can conclude that ‘x’ percentage of relevant consumers understand that the relevant sign is in fact a trade mark. The registrar is used to, and familiar with, having to make inferences from the evidence presented. In this case, I am afraid, based on the evidence provided I have not been able to conclude that a significant proportion of relevant consumers regard the application as a trade mark.

Conclusion

49. Having given due care and attention to all of the arguments put forward during the proceedings, the application is refused under Section 3(1)(c) for all services in Classes 35, 38 and 42, and is refused under Section 3(1)(b) for the goods in Class 9. This conclusion reflects the fact that the evidence of purported acquired distinctiveness is considered insufficient.

Dated this 31st December 2019

Dafydd Collins
For the Registrar
The Comptroller-General