

**O/655/22**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. UK00003609097**

**BY PAY.UK LIMITED**

**TO REGISTER:**



**AS A TRADE MARK IN CLASSES 9, 36 AND 38**

**AND**

**IN THE MATTER OF OPPOSITION THERETO**

**UNDER NO. 426038 BY**

**VELVET SMOOTH MOVES LTD**

## BACKGROUND AND PLEADINGS

1. On 12 March 2021, Pay.UK Limited (“the applicant”) applied to register the trade mark shown on the cover of this decision (“the contested mark”) in the UK for the following goods and services:

Class 9: Software; application software; computer software for processing electronic payments and transferring funds to and from others; computer hardware, apparatus and instruments relating to devices for payment, money, monetary transfers and banking; card readers; payment terminals; money dispensing and sorting devices; credit, debit, bank and monetary cards; encoded cards; smart cards; magnetic payment cards.

Class 36: Financial affairs; financial services; monetary affairs; banking services; financial transactions; payment services; money transmission services; bill payment services; electronic transfer of funds; card payment services; financial transfer services; clearing and reconciling financial transactions; information, consultancy and advice relating to the aforesaid.

Class 38: Telecommunication services; messaging services.

2. The application was published for opposition purposes on 7 May 2021 and, on 9 August 2021, it was opposed by Velvet Smooth Moves Ltd (“the opponent”). The opposition is based on sections 3(1)(b), 3(1)(c) and 3(1)(d) of the Trade Marks Act 1994 (“the Act”) and is aimed at all of the goods and services in the application.
3. In respect of its section 3(1)(b) ground, the opponent claims that the contested mark is directly descriptive of the goods and services and, therefore, lacks distinctive character. As a result, the opponent claims that the contested mark is inherently incapable of distinguishing the applicant’s goods and services from those of other undertakings and does not fulfil the essential function of a trade mark. Under its section 3(1)(c) ground, the opponent claims that the contested

mark consists exclusively of a sign which may designate the kind of and/or purpose of the goods and services applied for. Lastly, under its section 3(1)(d) ground, the opponent claims that the contested mark consists exclusively of a sign that has become customary in the current language and established practices of the trade. Accordingly, the opponent requests that the contested mark be refused registration by virtue of the fact that it offends sections 3(1)(b), 3(1)(c) and 3(1)(d) of the Act.

4. The applicant filed a counterstatement denying the claims made.
5. The opponent is represented by Charles Russell Speechlys LLP and the applicant is represented by Foot Antsey LLP. Both parties filed evidence in chief with the opponent also filing evidence in reply. In filing its evidence, I note that the applicant also filed written submissions. No hearing was requested and both parties filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

## **EVIDENCE**

6. The opponent filed evidence in the form of the witness statements of Ms Charlotte Duly dated 21 December 2021 and 22 April 2022, the latter of which being the evidence filed in reply. Ms Duly is a chartered trade mark attorney at the opponent's representative firm and her first statement was accompanied by 21 exhibits with her second accompanied by a further nine.
7. The applicant filed evidence in the form of the witness statement of Ms Charlene Louise Nelson dated 24 February 2022. Ms Nelson is a chartered trade mark attorney at the applicant's representative firm and her statement was accompanied by three exhibits. As above, this evidence was accompanied by written submissions.
8. I do not propose to summarise the parties' evidence and submissions here. However, I have taken them all into consideration in reaching my decision and will refer to them below, where necessary.

## PRELIMINARY ISSUES

9. In its evidence, the applicant raised an issue as to the identity of the opponent and questions why it would “want to bring an opposition against UK’s leading retail payment authority which is providing a service to all business and individuals as described above and in accordance with the direction given by Government bodies and the Bank of England.”<sup>1</sup> While I note that the issue as to the identity of the opponent was raised more so in relation to the difficulty it has faced in seeking to resolve this dispute, I will say, for the avoidance of doubt, that the identity of persons operating the opponent company are not relevant to the proceedings at issue. Any party is entitled to oppose a trade mark application on the basis of a number of different grounds. Further, in relation to the question as to why the opponent would bring an opposition against the applicant, I am of the view that this is of no relevance either. The fact that the applicant claims to be the UK’s leading retail payment authority that operates under the direction of Government bodies and the Bank of England does not mean that its trade mark applications are not subject to scrutiny by third parties by way of proceedings before the Tribunal.
10. I note that the opponent has made reference to its own application for a word only mark, being the words ‘REQUEST TO PAY’ for a range of the same or substantially similar goods and services to those at issue in this opposition. I note that this application was made under registration number 3665542 and that its filing date was after the application date at issue. I also note that the application was refused by the UK IPO on the basis that it offended the provisions set out in section 3(1)(b) and 3(1)(c) of the Act. A copy of the examination letter dated 17 August 2021 has been provided in evidence.<sup>2</sup> This evidence is noted, so too are the reasons given for the absolute refusal of that mark. However, it is not the case that a Hearing Officer during opposition or cancellation proceedings is bound to reach the same outcome that a Trade Mark Examiner did in assessing the registrability of the same or a similar mark. For the avoidance of doubt, the evidence regarding the opponent’s refused mark is not binding upon this decision and I will say no more about it.

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<sup>1</sup> Paragraph 20 of the witness statement of Charlene Louise Nelson

<sup>2</sup> Exhibit CD16 of the witness statement of Charlotte Duly

## DECISION

11. Section 3(1) of the Act provides 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) 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.”

12. The relevant date for determining whether the contested mark is objectionable under the above provisions is its application date, being 12 March 2021.

13. I bear in mind that the above grounds are independent and have differing general interests. It is possible, for example, for a mark not to fall foul of section 3(1)(c) but still be objectionable under section 3(1)(b): *SAT.1 SatellitenFernsehen GmbH v OHIM*, Case C-329/02 P at [25].

14. The position under the above grounds must be assessed from the perspective of the average consumer, who is deemed to be reasonably observant and circumspect.<sup>3</sup> In the applicant's submissions, it states that "the purchasing of financial services (whether by businesses or members of the public) is primarily a visual act which involves seeking information from print matter, a digital app or interface or the internet." From this, the applicant's position is that the average consumer for the goods and services at issue will either be business users or members of the general public. The opponent submits that the average consumer is a member of the general public. However, its statement of case also states that the goods and services are used by those in the trade, namely the financial sector (paragraph 12 of the statement of case). While I agree with both parties that the average consumer consists of members of the general public and business users, I do not agree that the business user will be limited to those in the financial sector. On the contrary, I disagree that the business user in the financial sector will be an average consumer for some of the goods and services at issue.

15. I appreciate that it may be the case that business users in the financial sector will use goods such as "software" and "telecommunication services" on the basis that they are very broad goods/services that will cover those that do not relate to finance/banking. However, I do not consider that they will be the user of services such as "banking services" and "money transmission services", for example. They will, of course, be the provider of such services but that is not enough, in my view, to suggest that they will also use them. On this point, I have no evidence to suggest that the providers of those goods/services that relate to the financial sector will also form part of their average consumer base. In the absence of such, I am unable to conclude that such services would be used by business users in the financial industry itself. Further, I do not consider that it is common in the trade for providers of such financial goods/services to also be their users. For the avoidance of doubt, I conclude that for the goods and services at issue that do not specifically relate to the finance sector, both members of the general public and business users at large will be the average consumers. However, for those goods and services that do relate to the financial sector, I am of the view that the average consumer base will

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<sup>3</sup> *Matratzen Concord AG v Hukla Germany SA*, Case C-421/04

also consist of members of the general public at large but the business user will be limited to those that do not operate in the financial sector.

### **Section 3(1)(d)**

16. I will first consider the opposition under section 3(1)(d) of the Act. It is the opponent's claim that the words 'Request to Pay' in the contested mark are customary in the language and practices of the finance industry as a method of requesting payment.

17. In *Telefon & Buch Verlagsgesellschaft GmbH v OHIM*, Case T-322/03, the General Court summarised the case law of the Court of Justice under the equivalent of s.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* (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)."

18. In respect of the 3(1)(d) ground, the opponent submitted that it's evidence:

"plainly demonstrates and reinforces [...] that REQUEST TO PAY was, prior to the Relevant Date, used extensively by third parties to describe a payment request product or service: a product or service that enables a biller to request payment from a customer. Further and in the alternative, the evidence demonstrates that REQUEST TO PAY has become customary in the current language and in the established practices of the trade, such that the Application is contrary to s.3(1)(d) of the Act"

19. In assessing the evidence as a whole, I note that a significant amount of it is aimed at the EU and international markets. For the avoidance of doubt, the assessment I must make as to whether the contested mark offends the provisions of section 3(1)(d) of the Act must be based on the average consumer in the UK. In giving their submissions, both parties have made points to address the issue of EU and international evidence. The applicant argues that evidence from the EU and international markets is not relevant to the present case. The opponent's position on this point is that payment systems are international and use cannot be limited to the UK only. Further, the opponent submits that it is incorrect to conclude that because documents relate to EU organisations, they are consequently irrelevant



to the UK market and to UK proceedings. I note that the opponent also submits that:

“The average consumer of the goods and services in issue is not confined to the United Kingdom. Furthermore, it is conceivable that international Request to Pay services could collaborate in the future to enable international (cross-border) payments to be made using their respective Request to Pay services. Such a collaboration could potentially enable a biller domiciled in the UK to use the Request to Pay service to request payment from an individual domiciled outside the United Kingdom. Equally, that same collaboration could potentially enable billers headquartered outside the United Kingdom (including multinationals such as Mastercard®) to use the Request to Pay service to request payment from a customer domiciled in the UK.”

20. While I appreciate that use of financial terminology may extend globally, this would be based on use in those territories. I do not accept the opponent’s submissions that just because one financial term is present in one jurisdiction, it would be known in another simply due to the fact that financial transactions can be international. For such knowledge to extend to other jurisdictions, there must be evidence of use in those jurisdictions. Therefore, simply showing use of the term ‘Request to Pay’ by either EU or internationally based organisations is not sufficient to demonstrate that the contested mark has become known by the relevant public in the UK. Contrary to the opponent’s submissions, the assessment I must make in the present case is confined to the average consumer (or ‘target public’ as it is referred to in the case of *Alcon v OHIM – Dr. Robert Winzer Pharma (BSS)* (cited above)) in the UK, which I have identified at paragraphs 14 and 15 above. Unless the EU or international evidence points to knowledge in the UK, it is not relevant to these proceedings.

21. Bearing in mind what I have said above, the relevant evidence that relates to the UK can be summarised as follows:

- a. A print-out from a website ‘aciworldwide.com’ which refers to ‘Request to Pay’ in the UK, ‘Request 2 Pay’ in Europe, ‘Request for Payment’ in the USA and

- 'Collect' UPI payments in India.<sup>4</sup> This evidence is undated and therefore is not capable of pointing to use of the contested mark as at the relevant date;
- b. A print-out from the applicant's website, being 'requesttopay.co.uk', provides information regarding the 'Request to Pay' service.<sup>5</sup> I note that the print-out is dated after the relevant date. Further and particularly without anything further, I do not consider that the applicant's own definition of the phrase on its website is necessarily indicative of a wider understanding of average consumers;
  - c. An article from a strategic payment consultancy firm called Edgar, Dunn & Company dated 31 July 2020 has been provided.<sup>6</sup> The article does not appear to be directly aimed at the UK market and I note that it is a '.com' website. However, it was prepared by an employee in the firm's London office and focuses on the 'Request to Pay' scheme in the UK. The article describes 'Request to Pay' as a collective term for schemes that trigger payments from bank accounts and that it is best used for single or ad hoc payments. Further, the article discusses the benefits, price and future utilisation of Request to Pay schemes since launching in the UK on 29 May 2020. It also refers to other solutions from around the world, such as the 'United Payment Interface' in India, 'iDEAL' in the Netherlands, 'BPAY' in Australia, 'PromptPay' in Thailand, 'Swish' in Sweden and 'Vipps' in Norway;
  - d. An 'NPA (New Payments Architecture) Implementation Plan' dated December 2017 that was prepared by 'payments strategy forum'<sup>7</sup> which sets out implementation plans for a 'request to pay' system in the UK. While I will not go over each reference to 'Right to Pay' within the document, I note that it does refer to the phrase several times. Further, it is included as a defined term in its glossary, which states that it is "a flexible payment and bill management service concept that offers payers more control over bill payments that is initiated by the payee"<sup>8</sup>
  - e. There are two blog posts from a website called 'extra', both of which were posted by contributors who are located in London. Both blog posts are dated prior to the relevant date and discuss 'Request to Pay'. The first article

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<sup>4</sup> Exhibit CD2 of the witness statement of Charlotte Duly

<sup>5</sup> Exhibit CD3 of *ibid*

<sup>6</sup> Exhibit CD7 of *ibid*

<sup>7</sup> Exhibit CD8 of *ibid*

<sup>8</sup> Page 94, Exhibit CD8 of *ibid*

discusses the “Eurozone’s version of this initiative”, being ‘SERA Request to Pay (SRTP)’<sup>9</sup> while the second<sup>10</sup> discusses the difference between the applicant’s ‘Request to Pay’ scheme and the ‘EBA Clearing’s Request-to-Pay’ models. I note from other evidence filed by the opponent that ‘EBA’ is a leading private industry provider of pan-European payment infrastructure services.<sup>11</sup>

- f. A paper from CitiBank has been provided that was authored by a UK based employee of CitiBank.<sup>12</sup> This paper is titled ‘The Request to Pay Revolution’. and sets out that Request to Pay is “a collective term for schemes that trigger payments from bank accounts”. While prepared by a UK based employee, I note that the paper consists of a section titled “AROUND THE WORLD IN RTP” which discusses other notable third party ‘Request to Pay’ systems such as iDEAL in the Netherlands, Faster Payments System in Hong Kong, PromptPay in Thailand and Retail Payments Platform in Malaysia;
- g. Further evidence was provided in reply in respect of the applicant’s website.<sup>13</sup> While one piece of evidence is taken from the internet archive facility, ‘The Wayback Machine’, and is dated prior to the relevant date, I make the same comments here as I have at point b. above in that the applicant’s own definition of the phrase is not indicative of a wider understanding of average consumers;
- h. Selected pages have been provided from a consultation paper published by the ‘Payments Strategy Forum’ in July 2017.<sup>14</sup> The first selection of paragraphs provides an explanation of ‘Request to Pay’ whereas the second refers to several other solutions that already exist in the market that offer ‘Request to Pay’ functionality, namely ‘pay.me’ from Monzo and ‘Receive’ on Pingit.

22. Firstly, I note the opponent’s evidence seems to suggest that the extensive of use other ‘request to pay’ type schemes in other countries is relevant to the contested mark being objectionable under the section 3(1)(d) ground. I note that the reference to other schemes are, for the most part, under different names, such as iDEAL, pay.me, Receive and PromptPay, amongst others. I also note that there are references to other schemes called ‘SERA Request to Pay’ and ‘EBA Clearing’s

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<sup>9</sup> Exhibit CD11 of *ibid*

<sup>10</sup> Exhibit CD13 of *ibid*

<sup>11</sup> Page 105, Exhibit CD9 of *ibid*

<sup>12</sup> Exhibit CD15 of *ibid*

<sup>13</sup> Exhibit CD23 and CD24 of the second witness statement of Charlotte Duly

<sup>14</sup> Exhibit CD25 and CD26 of *ibid*

Request-to-Pay'. While these schemes utilise the same words as those in the contested mark, they consist of other distinctive elements, being 'SERA' and 'EBA Clearing'. That being said, it may be that the distinctive elements were added due to the descriptive nature of the term 'Request to Pay'. Generally speaking, I agree with the opponent that the presence of other schemes referred to generically as 'request to pay' schemes, regardless of the inclusion of the words 'request to pay' in their names or not, may be capable of giving rise to use becoming customary language in the trade. However, in the present case I have no information as to the widespread use or knowledge of any of these schemes by average consumers in the UK so, therefore, do not consider this evidence to be of assistance.

23. I remind myself of paragraph 50 of the case of *Telefon* (cited above) which sets out that the present assessment is to be made in regard to the target public by taking account of the expectations of the average consumer which, in this case, consists of members of the general public at large and business users (albeit with business users limited depending on the goods/services at issue). While the evidence discussed above may be capable of demonstrating that 'Request to Pay' is used generically to discuss a type of payment scheme, such generic use is shown only being used within the financial sector. I have explained at paragraphs 14 and 15 that the average consumers for some of the goods and services at issue will include business users within the financial sector, however, this does not apply to all of the goods and services. For example, "software" is included in the specification and is a very broad term that undoubtedly covers types of software that the business user in the financial sector will use. However, the evidence discussed above points towards 'Request to Pay' as a payment scheme. In my view, payment schemes such as the ones explained in the evidence are provided via various types of goods/services that are operated by business users within the financial sector. As a result, I do not consider that the business user within the financial sector will be the average consumer for such goods/services but, instead, their provider. While it may be the case that 'Request to Pay' has become customary in the language to those operating within the financial sector, I do not consider that the evidence points towards the expectation of the average consumer for the goods/services described by the evidence which, in my view, are members of the general public at large and business users (save for those operating in the financial sector).

24. Even if I am wrong to make the above finding to exclude business users within the financial sector, I am of the view that the evidence remains insufficient. As above, the evidence is aimed at the financial sector and even if those business users were part of the average consumer base, I have no indication as to the reach of any the evidence across the financial sector to allow me to conclude that a significant proportion of average consumers would view the term 'Request to Pay' as generic. The bulk of the relevant evidence is articles, blog posts and papers and I have no indication as to how many views/reads such evidence has obtained. For example, the article referred to at point c. of paragraph 21 above was prepared by a strategic payment consultancy firm. In my view, such evidence is likely to attract a fairly niche audience and I have no evidence to suggest the viewership for such a website and nothing to indicate how many people read the article. In my view, the same issue applies to the remaining evidence in that it is targeted at a niche audience and is not capable of pointing to widespread knowledge across a significant proportion of average consumers.

25. Taking the evidence as a whole, I do not consider that it demonstrates that 'Request to Pay' has become customary in the language or in the bona fide and established practices of the trade. While the assessment I must make is based on the mark as a whole, I note that there is no evidence regarding the figurative elements and whether these have become customary in the bona fide and established practices of the trade. As a result, and given what I have said with regard to the 'Request to Pay' element, I do not consider it necessary to assess these at this stage. As a result, I find that the opponents 3(1)(d) ground fails in its entirety.

26. I will now move to consider the position in respect of the 3(1)(c) ground.

### **Section 3(1)(c)**

27. Section 3(1)(c) prevents the registration of marks which designate a characteristic of the goods and services. The case law under section 3(1)(c) (corresponding to article 7(1)(c) of the EUTM Regulation, formerly article 7(1)(c) of the CTM

Regulation) was set out by Arnold J. in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch) as follows:

“91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the Court of Justice of the European Union (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).

And

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].”

28. The contested mark consists of two figurative elements and a word element. The word element is ‘Request to Pay’ in a standard black typeface presented so that ‘Request’ sits above the words ‘to Pay’. To the left of the word element is a figurative element that is made up of a black and white square with two corners rounded off that sits above a black ribbon shape that points right (“the first figurative element”). Enveloping both of these is a second figurative element, being a black border in the shape of a rectangle with two corners rounded off (“the second figurative element”).

29. While it is wrong to artificially dissect the contested mark, I consider it necessary to assess the impressions of both the word element, being ‘Request to Pay’ and the figurative elements in solus before moving to assess their roles within the mark as a whole. On the point of the overall impression of the mark, I note that the applicant’s submissions made reference to the case of *P BioID v OHIM*<sup>15</sup> wherein the Court of Justice of the European Union (“CJEU”) set out that while a mark may be subject to an assessment in respect of its separate elements, that assessment must be based on the overall perception of the mark by the relevant public. This case goes on to state that even where individual elements of a mark are non-

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<sup>15</sup> Case C-37/03

distinctive, it does not necessarily mean that their combination cannot present a distinctive character. While I appreciate that it is not always the case where multiple non-distinctive elements of a mark combine to form a non-distinctive mark as a whole, it is not correct to suggest that this is always the case. It is entirely possible that a number of non-distinctive elements, when combined and viewed as a whole, may still result in a descriptive or non-distinctive mark. I note that this case law made reference to non-distinctive elements but consider it relevant to the issue under 3(1)(c) also.

30. I note a lot of attention during these proceedings has been focused on the figurative elements of the contested mark. I also note that the opponent's position in respect of the section 3(1)(c) ground is that the words 'Request to Pay' are descriptive and that the figurative elements of the contested mark are not sufficient to divert the attention of the average consumer away from the message conveyed by the descriptive words. As a result, I will begin my assessment of the contested mark with the assessment of the words 'Request to Pay'.

31. I have set out above that the evidence provided by the opponent contains a number of definitions for the term 'Request to Pay'. I note that one of these sets out that it is "a flexible payment and bill management service concept that offers payers more control over bill payments that is initiated by the payee." While all of the definitions in the evidence are noted, they are provided by professionals in the industry to business users in the financial sector. I am not convinced that the evidence points to such a meaning being readily understood by average consumers in the UK. In light of this, I will base the following assessment of the words 'Request to Pay' on the inherent position taking into account the circumstances wherein the average consumer will view the mark on the goods and services at issue.

32. I note that the opponent has submitted that:

"The word element of the Contested Trade Mark, REQUEST TO PAY, is comprised of commonly used words that the average consumer would have no problem understanding. Together, they convey the message that the Contested G&S sold or rendered under the Contested Trade Mark are, or relate to, a

payment request product or service: a product or service that enables a biller to request payment from a customer. REQUEST TO PAY is nothing more than another way for saying "payment request" or "request for payment". Given the average consumer would understand the words to have their ordinary meaning, the message conveyed by the word elements of the Contested Trade Mark is therefore entirely descriptive of the kind and/or intended purpose of the Contested G&S."

33. I note that I have no submissions from the applicant as to the alleged descriptiveness of the 'Request to Pay' element or how it will be viewed by the average consumer. However, I do note that in its defence it did deny that the mark as a whole was descriptive.

34. I am of the view that 'Request to Pay' will be viewed as a unit that will have a variety of meanings depending upon the context in which it is used. For example, during a transaction it may be understood as the payee making a request for payment from the payer for goods or services rendered or to settle a debt i.e. the provision of a bill, invoice or, simply, information regarding the total amount owed, thereby making a 'request to pay'. Alternatively, in the context of a payer wishing to make a payment, it will be understood as a request that the payer settle his/her debts with the payee. In this scenario, a payer may make a request to pay the payee i.e. by requesting that the payee provide an invoice or bill in order to complete the transaction, thereby making a 'request to pay'. Regardless of the precise meaning attributed to the phrase, it will be broadly understood to be a reference to a request made in order to settle any type of transaction. Before moving to assess whether this meaning is descriptive in the context of the goods and services at issue, the question I must now consider is whether the figurative elements are sufficient to divert the average consumers attention away from this message.

35. In support of its position that the figurative elements are not sufficient to divert attention away from the descriptive message, the opponent's submissions refer to the cases of *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc*<sup>16</sup>, UK

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<sup>16</sup> [2013] F.S.R. 29

*Cannabis Clinic*<sup>17</sup> and *Adapta Color, SL v EUIPO*.<sup>18</sup> I do not intend to reproduce the entirety of the opponent's submissions on this point but I note the following summary:

“53. As far as the Figurative Element is concerned, it is submitted that parallels exist between this Opposition and the cases discussed earlier, namely BL 0-256-21 (UK Cannabis Clinic) and T-223/17 (ADAPTA POWDER COATINGS), to the extent that the Figurative Element in this case is equally banal and simplistic. The Figurative element is a simple, unremarkable geometric device that comprises nothing more than a banal rectangle set above a black horizontal line. It is a purely decorative form. None of the components of the Figurative Element have any unusual features in themselves, with the minor curved edges of the individual components being barely noticeable when looking at the Figurative Element in its entirety, let alone when considering the Contested Trade Mark as a whole.

54. Second, the Contested Trade Mark contains a rectangular border around the words REQUEST TO PAY and the Figurative Element. This element is entirely commonplace and unremarkable and cannot possibly confer distinctive character upon the Contested Trade Mark as a whole.”

36. In defence of this argument, the applicant also refers *UK Cannabis Clinic* (cited above) and also the European Union Intellectual Property Network (“EUIPN”) common practice regarding figurative marks that contain descriptive or non-distinctive words (being a practice implemented by the UK IPO on 2 October 2015) which states that:

“In general, when a figurative element that is distinctive on its own is added to a descriptive and/or non-distinctive word element, then the mark is registrable, provided that said figurative element is, due to its size and position, clearly recognizable in the sign.”

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<sup>17</sup> Case BL O/777/21

<sup>18</sup> T-223/17

37. On this point, the applicant submits that *UK Cannabis Clinic* (wherein a hexagonal shape was deemed not to be distinctive on its own) is not on all fours with the present case on the basis that the figurative elements in the contested mark are not merely simply geometric shapes but large, prominent and clearly recognisable in the contested mark as a whole. Further, it submits that the elements are sufficiently prominent and unusual such that they would be memorable to the average consumer and they would not be seen as merely decorative.

38. Taking the parties' submissions and the case law cited above into account, I am of the view that the stylisation and combination of the shapes of the first figurative element do not contribute enough to the element itself that takes it beyond being seen as what it is, which is a banal combination of two simple geometric shapes. As for the second figurative element, this is a simple banal border element that is likely to be overlooked. As a result, I consider that the figurative elements are solely minor figurative embellishments and their presence in the contested mark are insufficient to divert the average consumer's attention away from, or to modify, the message conveyed by the words 'Request to Pay'. On this point, I refer to the case of *Starbucks (HK) Ltd & Ors v British Sky Broadcasting Group Plc & Ors*<sup>19</sup> wherein it was found that a descriptive word with a minor figurative embellishment, when viewed as a whole, would still be perceived as designating a characteristic of the goods and services. Arnold J. (as he then was) found that:

"116. Taking all of the evidence into account, I conclude that the CTM is precluded from registration by art.7(1)(c) in relation to the services in issue because NOW would be understood by the average consumer as a description of a characteristic of the service, namely the instant, immediate nature of the service. The figurative elements of the CTM do not affect this conclusion. In the alternative, if the inclusion of the figurative elements means that the CTM does not consist exclusively of the unregistrable word NOW, I consider that the CTM is devoid of distinctive character and thus unregistrable by virtue of art.7(1)(b) .

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<sup>19</sup> [2012] EWHC 3074 (Ch)

117. I would comment that it appears to me that PCCW only succeeded in obtaining registration of the CTM because it included figurative elements. Yet PCCW is seeking to enforce the CTM against signs which do not include the figurative elements or anything like them. That was an entirely foreseeable consequence of permitting registration of the CTM. Trade mark registries should be astute to this consequence of registering descriptive marks under the cover of a figurative figleaf of distinctiveness, and refuse registration of such marks in the first place.”

39. Consequently, I am of the view that the contested mark consists exclusively of signs or indications which may serve, in trade, to designate the kind of and/or intended purpose of some of the goods and services at issue. However, such a finding does not extend to all of the goods and services at issue and, as a result, it is necessary to assess the goods and services at issue below.

#### Class 9

*Computer software for processing electronic payments and transferring funds to and from others.*

40. The above goods can cover a range of software for processing electronic payments. In my view, these goods can include a downloadable mobile phone application or other type of computer software that a user can use to send or receive payment requests from others, be that friends or businesses. As an example, it is reasonable to expect that this term can cover a type of software that can be used by a group of individuals who visit a restaurant where, rather than split the bill, one pays the cost in full and, afterwards, sends requests for payment to the members of the group via an app on their phone. Further, this type of software can be used in other scenarios wherein a business generates an electronic invoice for goods/services rendered and then send the same via mobile phone app or computer software to the customer, who will then pay via that app or software. In both scenarios, the app would be used to make a ‘request to pay’. In this context, the contested mark will, in my view, be descriptive of their kind and purpose in that it is a ‘request to pay’ software/app used to send payment requests to others. As a

result, I find that the above goods are objectionable under the provisions of section 3(1)(c) of the Act.

*Software; application software.*

41. The above goods are very broad and can cover all types of software, including video games, accountancy software and so on. For goods such as these, the contested mark will not be descriptive. However, given the broad nature of these goods, it follows that they can cover the type of goods discussed at paragraph 40 above and are, therefore, objectionable under section 3(1)(c) of the Act for the same reasons given above. On this point, while it has not been expressly pleaded in the course of these proceedings, I have given consideration to paragraph 3.2.2 of Tribunal Practice Notice 1/2012<sup>20</sup> (“the TPN”) where it is open to me to propose a ‘save for’ provision to these goods or amend the terms accordingly so as to prevent them from being objectionable under section 3(1)(c) of the Act. However, I note that the practices set out in the TPN are only to be applied where it is appropriate to do so. In the present case, I am of the view that given the broad nature of the goods at issue and the specific scenarios wherein I consider they would be descriptive, it is disproportionate for me to embark upon formulating proposals to allow these terms to proceed to registration. Further, I note that the applicant has not offered any fall back specification in relation to these broader terms.

*Computer hardware, apparatus and instruments relating to devices for payment, money, monetary transfers and banking; card readers; payment terminals.*

42. The above goods are/or include payment terminals such as Chip and PIN card readers that facilitate sales via debit, credit or charge card transactions. These goods will commonly be used when a transaction is being completed and paid for via the chosen type of payment card. In such a scenario, the average consumer will be presented with the device in order to process their payment and will be confronted with the contested mark when being requested to pay for the

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<sup>20</sup> <https://webarchive.nationalarchives.gov.uk/ukgwa/20140714074028/http://www.ipo.gov.uk/pro-types/pro-patent/p-law/p-tpn/p-tpn-2012/p-tpn-12012.htm>

transaction. In this scenario, I am of the view that the consumer will understand the message of the contested mark as being descriptive of the purpose of the goods upon which it is displayed in that they are being used to request payment. This is on the basis that the retailer or service provider is presenting the goods at issue to the consumer for the purpose of requesting payment for the goods or services rendered. As a result, I find that the above goods are objectionable under the provisions of section 3(1)(c) of the Act.

*Money dispensing and sorting devices.*

43. The above goods describe goods such as ATM machines and apparatus for sorting a variety of coins into separate denominations. While both of the above goods relate to money, I see no reason why the average consumer would understand 'Request to Pay' as being descriptive of the kind of or purpose of these goods. These goods are money sorting or dispensing devices and their purposes are self-evident, namely to sort or dispense money. I do not consider that either type of good has anything to do with payment requests. As a result, I find that the opposition under section 3(1)(c) of the Act in respect of these goods fails.

*Credit, debit, bank and monetary cards; encoded cards; smart cards; magnetic payment cards.*

44. It is my view that the above goods cover a wide range of types of payment cards. I have no submissions or evidence to suggest that payment cards have any utilisation in 'request to pay' schemes. On this point, I note that the evidence appears mainly aimed towards mobile payments via an application or software. I appreciate that the above goods may be used as a form of payment but, in the absence of any submissions or evidence to the contrary, I see no obvious reason to conclude that these payment cards will be used to request payments and neither do I consider that the average consumer would think that they would be. As a result, I see no reason as to why the contested mark will be viewed as descriptive of the kind or purpose of these goods. Firstly, the kind of goods at issue here are simply types of payments cards. Secondly, the purpose of these goods is not to request



payments but, instead, to make payments. As a result, the opposition under section 3(1)(c) of the Act in respect of these goods fails.

### Class 36

45. The opponent submits that the relationship between the contested mark and the class 36 services is obvious in that

“The services in Class 36 covered by the Application cover broad financial and banking services, and specific payment and fund transfer services, all of which are directly related to the making and processing of payments.”

46. While noted, I do not agree that just because a service relates to the making or processing of a payment, it automatically renders the contested mark descriptive. In order for the contested mark to be descriptive of the kind or purpose of the services, there must be some understanding by the average consumer that the services at issue provide a function whereby a user may send or receive a request for payment. For example, the processing of a payment by a bank is a service that's purpose is to transfer money between accounts. Technically it may be the case that the user wishing to send the payment is requesting that the banks facilitate the transfer between the users, however, I do not consider that this will be understood by the average consumer. This is on the basis that the average consumer will not be under the impression that they are making a *request to pay* but rather that they are simply instructing their banking service provider to transfer/send money from their account to another. As far as I am aware, such a service does not require a 'request for payment' from one account holder to another and, instead, the process is facilitated by one user selecting another user to pay a certain amount of money. While such payments may be sent following a request by one party to the other, the service itself is not the provider of that request, nor is it the means by which the request is sent. Instead, it is merely the function by which the request is completed. I, therefore, disagree with the blanket statement that the contested mark is obviously descriptive of all of the applicant's services in class 36. Instead, I consider that the applicant's class 36 services require further analysis.

*Financial affairs; monetary affairs; information, consultancy and advice relating to the aforesaid.*

47. Aside from the blanket statement referred to above, I have no submissions as to what the above services cover. In the absence of such, I am of the view that the above services cover a wide range of services surrounding financial affairs which can include advice in relation to mortgages, insurance, pensions, investments and financial planning. While likely to fall under the umbrella of broader categories of terms such as “financial services”, I do not consider the above services will be the same as those which are offered by ordinary banking institutions. As a result, I am not convinced that they directly relate to requests for payments. I see no reason why the phrase ‘Request to Pay’ will be considered descriptive of the kind or purpose of the example services I have highlighted above. While I appreciate that the above services relate to finance and will likely be offered for a fee (be that fixed fees, hourly rates or a cut of the proceeds/profits), this does not render the contested mark descriptive of their kind. As far as their purpose is concerned, I am of the view that they are to offer advice in relation to a wide range of financial or monetary affairs and not to request payment for goods/services rendered on behalf of the users of the services. As a result, I find that the opposition under section 3(1)(c) of the Act in respect of these services fails.

*Bill payment services; payment services; information, consultancy and advice relating to the aforesaid.*

48. I have no evidence or submissions as to what “bill payment services” cover. In the absence of such, I only have the ordinary meaning of the terms and my general knowledge to assist my understanding. With this in mind, it is my view that it is a service wherein a provider prepares and sends a bill on behalf of its customers to another party. For example, the service provider may take responsibility for the entirety of the billing process on behalf of a small business and forward bills/invoices to that business’s customers. The provision of a bill or invoice, being formal requests for payments, are indispensable to such a service. The provision of a bill or invoice is, in my view, a request for payment of goods or services

rendered. In the context of such services, I am of the view that the contested mark will be seen as descriptive of their kind and purpose. In respect of its kind, I am of the view that a bill payment service will be viewed as a payment request service. Further, I am of the view that by sending a bill under the banner of the contested mark, the term 'Request to Pay' will clearly be seen as the purpose of the service in that the provider will formally make requests to pay on behalf of its customers. Given that "payment services" is a broader term that can be said to include bill payment services, I am of the view that the same finding applies to this term also. As a result, I find that all of the above services are objectionable under the provisions of section 3(1)(c) of the Act.

49. I turn now to consider the service regarding information, consultancy and advice relating to the bill payment and payment services. While the purpose of these services is to provide information, consultancy or advice, I do not consider that the provision of such services in relation to bill payment and/or payments services will result in the average consumer considering them in any other context than supporting the overall purpose of "bill payment services" which is discussed above. This means that the average consumer will consider the information, consultancy and advice services to be descriptive also meaning that these services also fall foul of section 3(1)(c) of the Act.

*Financial transactions; money transmission services; electronic transfer of funds; card payment services; financial transfer services; clearing and reconciling financial transactions; information, consultancy and advice relating to the aforesaid.*

50. In my view, the above services include those whereby the provider is the undertaking that facilitates the transfer of money. As this is the service that provides for the facilitation of the payment, it is not necessarily the service whereby the request to pay is made. While not pleaded by either party, I have given consideration to the closeness of the above services with those discussed at paragraph 48 above, namely in reliance upon the case of *Fourneaux De France*

*Trade Mark*<sup>21</sup> wherein Mr Geoffrey Hobbs Q.C, sitting as the Appointed Person, stated that:

“Having listened with care to the arguments that have been addressed to me on this appeal, I have come to the conclusion that cooker hoods and extractors are closely connected items of commerce, and that they are both so closely connected with cookers that it would be unrealistic to treat the words FOURNEAUX DE FRANCE as descriptive of the character of the latter but not the former. The expression "cookers from France" is descriptive at a high level of generality. That makes it suitable, in my view, for descriptive use in the marketing of units of equipment of the kind found in modern cooker installations including not only grilling and roasting units, but also hood and extractor units.”

51. From this, it could be argued that due to the close association of the above services and those which I have found the contested mark to be descriptive for, it would be unrealistic to find one set of services descriptive and the other not. However, having considered such an argument, I do not consider that the present issue is on all fours with the one discussed in the case law cited above. For example, the case law cited above involved cooker hoods/extractors and cookers. The close association between those goods is down to the fact that cooker hoods and extractors will almost always be used in conjunction with a cooker and may even be sold together. In my view, the association between “electronic transfer of funds” and “bill payment services”, for example, is not as evident. While bill payment services may include the electronic transfer of funds, it is not always the case and, therefore, I do not consider that the services are necessarily essential to each other. For example, a bill payment service may simply generate a bill and not require the processing of the payment as it may be the case that this may be an option for the payer but also that payment may be made via cheque or cash.

52. Given what I have said above and applying the same reasoning discussed at paragraph 46 above in respect of services such as payment processing (being the type of service that these services cover), I do not consider that the contested mark

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<sup>21</sup> Case BL-O/240/02

is descriptive of the kind and/or purpose of the above services. As a result, the opposition under section 3(1)(c) of the Act in respect of these goods fails.

*Financial services; banking services; information, consultancy and advice relating to the aforesaid.*

53. Financial services and banking services are very broad services. In my view, these services cover those that are objectionable under the section 3(1)(c) ground and those that are not. For example, these broad terms can include the services discussed at paragraphs 47, 48 and 50 to 51 above. Given that these services can include those that are objectionable together with the fact that the applicant has offered no fall back specification, I have no alternative but to find that these services are objectionable under the provisions of section 3(1)(c) of the Act. On this point, I have also, as I have at paragraph 41 above, given consideration to the TPN in respect of the possibility of proposing a 'save for' provision or an amendment to the terms accordingly. However, for the same reasons given in that paragraph, I do not consider it appropriate to apply the guidance of the TPN in the present case.

54. Turning to the information, consultancy and advice services relating to financial and banking services, I make the same finding here as I have at paragraph 49 above in that these services are descriptive on the basis that the average consumer would consider that their purpose is to support the overall purpose of the services discussed at paragraph 53 above. As a result, these services also objectionable under provisions of section 3(1)(c) of the Act.

### Class 38

*Messaging services.*

55. The above service is one that provides users with the ability to send messages to one another. While a very broad term, I consider that it can include a service wherein a consumer arranges for the sending of a message to another user that contains a request for payment. In my view, this can either be in the form of a direct message from the consumer themselves or a message sent on their behalf by a

third party. In this context, the purpose of the service will be to send requests for payment. Such a message, for example, may include a link to a payment app or website where the payment can be made. When such a service is provided under the contested mark, I am of the view that it will be descriptive of that purpose in that the service is being used in order to make a payment request via in app messaging or text messages. This is on the basis that when the average consumer views 'Request to Pay' on a messaging service, they will understand that the purpose of the service is to send requests for payment via various communication methods. As I have done at paragraphs 41 and 53 above, I have given consideration to the guidance provided in TPN 1/2012 regarding 'save for' provisions or an amendment to terms on the basis that it may include services that are not objectionable. However, for the same reasons discussed in those paragraphs, I do not consider it appropriate to do so, particularly given that the applicant has offered no fall back specification in respect of the above service. As a result, I find that the above service is objectionable under the provisions of section 3(1)(c) of the Act.

*Telecommunication services.*

56. The above service is very broad and, in my view, covers all types of transmissions such as voice, data and video. This can include large scale services such as satellite or radio broadcasts, for example. However, I am of the view that this service is broad enough to encompass the type of services discussed at paragraph 55 above. In light of this, there are circumstances wherein the contested mark will be viewed as descriptive of the purpose of the above services. For the same reasons as discussed earlier, I consider the approach discussed in TPN 1/2012 is not appropriate here. As a result, I find that the above service is objectionable under the provisions of section 3(1)(c) of the Act.

57. Given the nature of my findings above, I find that the opposition reliant upon section 3(1)(c) is successful for the following goods and services:

Class 9:                Software; application software; computer software for processing electronic payments and transferring funds to and from others;

computer hardware, apparatus and instruments relating to devices for payment, money, monetary transfers and banking; card readers; payment terminals.

Class 36: Bill payment services; payment services; financial services; banking services; information, consultancy and advice relating to the aforesaid.

Class 38: Telecommunication services; messaging services.

58. However, this ground fails against the remaining goods and services. For completeness, I will now proceed to consider the 3(1)(b) ground.

### **Section 3(1)(b)**

59. Section 3(1)(b) prevents registration of marks which are devoid of distinctive character. The principles to be applied under article 7(1)(b) of the CTM Regulation (which is now article 7(1)(b) of the EUTM Regulation, and is identical to article 3(1)(b) of the Trade Marks Directive and s.3(1)(b) of the Act) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* (C-265/09 P) as follows:

“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).

32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck v OHIM*, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67). Furthermore, the Court has held, as OHIM points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, Case C-447/02 P *KWS Saat v OHIM* [2004] ECR I-10107, paragraph 78; *Storck v OHIM*, paragraph 26; and *Audi v OHIM*, paragraphs 35 and 36).

33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see Joined Cases C-473/01 P and C-474/01 P *Proctor & Gamble v OHIM* [2004] ECR I-5173, paragraph 36; Case C-64/02 P *OHIM v Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34; *Henkel v OHIM*, paragraphs 36 and 38; and *Audi v OHIM*, paragraph 37)."

60. It is the opponent's pleaded cases that:

"The words REQUEST TO PAY are the only elements of the mark which can be vocalised and therefore form a dominant and prominent element of the mark. The words REQUEST TO PAY will, to a substantial proportion of the UK public, mean an invitation to initiate payment. These words are directly descriptive of the Goods and Services and therefore lacks distinctive character. As the Mark is not distinctive, it cannot perform the functions of a trade mark and will not



distinguish the goods and services of the Applicant from those of another undertaking.”

61. Under the section 3(1)(b) ground, the applicant relies on the fact that the figurative elements of the contested mark confer distinctive character on the mark as a whole meaning that they take it outside the scope of rejection under sections 3(1)(b). Further, it argues that it does not form the opponent’s pleaded case that the figurative elements in the contested mark lacks distinctive character and, even if it did, such an argument should be rejected for the reason that the figurative elements confer distinctive character on the mark as a whole. On this point, I note that the opponent has pleaded that the contested mark, as a whole, is devoid of distinctive character and, further, that the phrase ‘Request to Pay’ is the dominant and prominent element of the mark (paragraph 8 of the opponent’s statement of case). By pleading that the mark as a whole is devoid of distinctive character, I am content to accept this as covering the figurative elements also. Further, the assessment I must make is, as above, based on the mark as a whole with the appropriate weight being attributed to its elements. I do not consider it fatal to the opponent’s case that it did not directly plead that the figurative elements were devoid of distinctive character.

62. A further issue was raised by the applicant that the first figurative element forms the entirety of its own UK registration. I note that this was reproduced in the submissions as follows:



63. The applicant submits that its existence shows how distinctive that element is. Further, the applicant sets out that as this was not opposed or subject to cancellation proceedings, the opponent accepts that the device element is validly registered. In rebuttal of this point, the opponent refers to the case of *CORNISH*

*MILK*<sup>22</sup> wherein the applicant in that case argued that the fact that it had already registered the figurative element in question in the UK and in the EU, the composite trade mark at issue must also be distinctive. However, the opponent relies on the findings of the Hearing Officer in that case which set out that “the mere fact that a mark is registered, that is identical or virtually identical to the device element of the current mark, does not lead to an automatic finding that the current mark does not fall foul of Section 3(1)(b) of the Act.”<sup>23</sup> On this same point, I note that the applicant submits that as the opponent requested that the applicant provide a disclaimer on the contested mark that sets out that it does not give exclusive rights to the words ‘Request to Pay’, it follows that the opponent accepts that the device elements of the contested mark are registerable.

64. Firstly, the fact that the opponent did not oppose or file a cancellation application against the mark reproduced at paragraph 62 above does not equate to an acceptance of its validity. Secondly, while I am not bound by the decision of *CORNISH MILK*, I agree with its findings on this point in that the mere existence of a separate registered mark consisting solely of the first figurative element does not mean that the contested mark cannot be objectionable under sections 3(1)(b) (or 3(1)(c), for that matter).

65. Having considered the parties’ submissions and the caselaw referred to throughout, I am of the view that while the first figurative element may enjoy its own level of distinctive character, it is very slight. In the context of the contested mark, I find that its impact on the mark as a whole is negligible. As for the second figurative element, I do not consider that this is distinctive to any degree and this is particularly the case in the context of the contested mark as a whole. As a result, I make a similar finding here as I have above in that the figurative elements, when viewed in the context of the contested mark as a whole, do not contribute to the impact of the mark to a sufficient enough degree that would draw the attention of the average consumer away from the descriptive message of the words ‘Request to Pay’. It is the opponent’s pleaded argument under 3(1)(b) that due to the descriptiveness of the contested mark, it is devoid of distinctive character. In

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<sup>22</sup> Case BL O/242/11

<sup>23</sup> See paragraph 13 of *ibid*

accordance with paragraph 46 of *Agencja Wydawnicza* (reproduced above), descriptive signs are also devoid of any distinctive character, As a result, I find that the contested mark is devoid of any distinctive character in relation to the goods and services caught by the section 3(1)(c) objection.

66. I have set out at paragraph 13 above that while marks which are free from objection under section 3(1)(c) may be caught by section 3(1)(b), the applicant's pleaded case under its section 3(1)(b) ground is that the contested mark is directly descriptive and, therefore, lacks distinctive character. While the pleadings go on to state that the contested mark cannot perform the functions of a trade mark and that it will not distinguish the goods and services of the applicant from those of another undertaking, this stems from the position that the mark is descriptive. Therefore, to the extent that I have rejected the objection under section 3(1)(c), I see no reason to come to a different conclusion under the section 3(1)(b) ground.

#### Acquired Distinctiveness

67. The applicant's evidence claims that it has processed 9.5 billion transactions worth £7.2 trillion in 2020 alone.<sup>24</sup> It also goes on to discuss the use of the contested mark<sup>25</sup> with a further claim that it has been used extensively since October 2020.<sup>26</sup> It does not appear that this evidence is aimed at proving that the contested mark has acquired distinctiveness through use. In any event, such a claim was not expressly pleaded and, even if it was, the evidence of use is insufficient. My reasons follow.

68. The applicant's processing of 9.5 billion payment transactions worth £7.2 trillion in 2020 is obviously possibly very significant. However, it is vague and appears to point towards the applicant's activities as a whole. I note that the applicant's evidence also sets out that it is the operator and standard body for the UK's retail interbank payment systems and operates systems such as BACS Direct Credit, Direct Debit, ICS, Current Account Switch Service and Faster Payments.<sup>27</sup> As a

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<sup>24</sup> Paragraph 10 of the witness statement of Charlene Nelson

<sup>25</sup> Exhibit CN1 of *ibid*

<sup>26</sup> Paragraph 14 of *ibid*

<sup>27</sup> Paragraph 7 of *ibid*

result, the figures are likely to include use of all of these systems. On this point, I note that the opponent's evidence in reply included a copy of the "Who we are" page of the applicant's website.<sup>28</sup> While the print-out is dated after the relevant date, the information within it breaks down the 9.5 billion transactions figure for 2020 to show that it includes "2.9 billion Faster Payments, 4.5 billion Direct Debits and 188 million cheques".<sup>29</sup> While this leaves almost 2 billion transactions unaccounted for, it is not possible for me to determine what proportion of this equates to 'Request to Pay', particularly given the applicant's claim that its use of the contested mark only began extensively in October 2020 (with third party evidence stating that it launched in May 2020). As a result of the above, I consider that the applicant's evidence of use (insofar as it was provided to show acquired distinctiveness) is of no assistance.

## CONCLUSION

69. While the opposition failed in its reliance upon the section 3(1)(d) ground, it did enjoy partial success in respect of its section 3(1)(b) and 3(1)(c) grounds. The application is, therefore, refused in respect of the following goods and services, being those that I have found objectionable under both section 3(1)(b) and 3(1)(c) of the Act:

Class 9: Software; application software; computer software for processing electronic payments and transferring funds to and from others; computer hardware, apparatus and instruments relating to devices for payment, money, monetary transfers and banking; card readers; payment terminals.

Class 36: Bill payment services; payment services; financial services; banking services; information, consultancy and advice relating to the aforesaid.

Class 38: Telecommunication services; messaging services.

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<sup>28</sup> Exhibit CD22 of the second witness statement of Charlotte Duly

<sup>29</sup> *ibid*

70. The application can proceed for the following goods and services, being those that I have found not to be objectionable under section 3(1)(b) and 3(1)(c) of the Act:

Class 9: Money dispensing and sorting devices; credit, debit, bank and monetary cards; encoded cards; smart cards; magnetic payment cards.

Class 36: Financial affairs; monetary affairs; financial transactions; money transmission services; electronic transfer of funds; card payment services; financial transfer services; clearing and reconciling financial transactions; information, consultancy and advice relating to the aforesaid.

## **COSTS**

71. On balance, I consider that both parties have enjoyed a roughly equal measure of success. In the circumstances, I do not consider it appropriate to make a costs award in favour of either party. Therefore, I order both parties to bear their own costs in these proceedings.

**Dated this 3rd day of August 2022**

**A COOPER**  
**For the Registrar**