

O-372-03

DECISION OF THE TRADE MARKS REGISTRY

TRADE MARKS ACT 1994

APPLICANT: AUTO (LOG BOOK) LOANS LIMITED

INVALIDITY N^o. 80990

AND

REGISTERED PROPRIETOR: LOG BOOK LOANS LIMITED

REGISTRATION N^o. 2265225

CLASS 36

LOG BOOK LOANS

TRADE MARKS ACT 1994

BACKGROUND

Trade mark in issue

1. The registered mark:

LOG BOOK LOANS

was applied for on 23rd March 2001 by Log Book Loans Ltd Knoll House, 82 Wheathampstead Road, Harpenden, Herts, AL5 1JB United Kingdom for:

Class 36 Loan services, credit services, financing services;
information and advisory services relating to the
aforesaid services.

2. On 10th September 2002 Auto (Log Book) Loans Limited (ALBL) applied for invalidation of the mark under s. 47(2) of the Act, alleging that its registration was contrary to s. 3(1) of the Act. They state:

“The word ‘loan’ is commonly used as meaning the ‘act of Lending’, e.g., providing money. The words log book, used either separately or in combination, are commonly referred to and accurately described in many English dictionaries as a document listing the registration, manufacture, ownership and previous owners of a motor vehicle. Accordingly, the expression LOG BOOK LOAN is devoid of any distinctive character and is wholly descriptive of the service of providing secured loans against the production of a log book. In the premise thereof, the mark is contrary to the provisions of Section 3(1)(b) and Section 3(1)(c) and the registration should be revoked by virtue of Section 47(1) of the Trade Marks Act 1994.

It is further claimed that the term LOG BOOK LOAN is currently being used by various individuals and companies to describe the service which they are offering by which a potential customer can obtain a loan secured against the ownership of a car. The method is to provide a third party with proof of ownership by production of the log book (car registration documents) and a loan can then be secured against the value of the car. This particular credit service is accurately and so described within the trade as a LOG BOOK LOAN. Accordingly, the trade mark which is the subject of Registration No. 2265225 consists exclusively of words which have become customary in the established practices of the trade and in the premise thereof the registration is contrary to the provisions of Section 3(1)(d) and should be revoked by virtue of Section 47(1) of the Trade Marks Act 1994.”

3. A Counterstatement was provided by the Registered Proprietor (LBL) denying the grounds asserted. Both parties ask for costs to be awarded in their favour.

HEARING

4. The matter was heard on 21st October 2003, where ALBL were represented by Mr. Groom of the Trade Mark Owners Association, and the Registered Proprietor (LBL) by Mr. Holah of Messrs. Field, Fisher Waterhouse.

EVIDENCE

5. The Director of ALBL, Mr. David Wheeler, a business incorporated in December 2000, is also a co-director in another business involved in, *inter alia*, personal loans and pawn broking services. Mr. Wheeler provides the applicant's complete evidence in a Witness Statement. He explains:

“On or about April 2000, my co-Directors and myself were aware that a number of companies in the United Kingdom operated car loans. These loans are based on retaining the owners' V5 Logbook throughout the duration of the loan period. Our own research identified that log book loans were already a mature concept throughout North America commonly known as 'Auto Pawn'. The attraction to the customer being that they can retain use of the vehicle throughout the duration of the loan. This is something significantly different from the normal loan arrangement associated with pawn broking, where we would retain the car or item until the loan is fully repaid.”

6. Mr. Wheeler adds that ALBL was seen as a potentially profitable extension of his business activities. He further explains:

“As part of the loan criteria, ALBL retains the log book throughout the duration of the loan period. As this is a specific area of business that deals primarily with loans whereby the customer has the benefit of the loan and retention of the car, it is important in the relationship that ALBL has some security. In this respect, a motor vehicle in the United Kingdom cannot be traded or otherwise sold without the log book.”

7. This explains the background of the business in which the parties to this dispute are engaged. The central feature of the applicant's case is that the mark is descriptive.
8. First, Mr. Wheeler states that 'Form V5' is not, to his knowledge, the common expression for such a document, which is usually called a 'log book'. Exhibited (DW1) is a page taken from Auto Trader.co.uk in which they refer to the 'V5/log book.' See also Exhibit DW7. He states the expression is a term used by the public for a car registration form, and quotes from several dictionaries to prove his point (see Exhibit DW8).
9. Mr. Wheeler also contends that the expression 'log book loan' is an 'ordinary term' and, summarising the Statement of Grounds (which I have quoted above), LOG BOOK LOANS is either a mark which cannot perform the function of a trade mark (s. 3(1)(b)), one which describes some attribute or characteristic of the services with which it is registered (s. 3(1)(c) and/or it is a mark which traders actually use (s. 3(1)(d)).
10. His evidence for contending this is challenged in a Witness Statement by Mr. Albert William Cook, a director of Log Book Loans Limited (LBL). Mr. Cook responds to Mr. Wheeler's evidence as follows:

- Mr. Cook cites the lack of use of the term by the applicant. – There is no evidence that any trade took place before the relevant date, in fact, there is material that indicates the contrary: see the copy of ALBL’s annual report up to 30th June 2001 in Exhibit AWC2, where it is stated that ‘The Company’s activities of *lending money against the security of motor vehicles* began on 16th June 2001’ (emphasis mine).
- Mr. Wheeler states that LBL has used the mark in a descriptive sense: see paragraph 9 of Mr. Wheeler’s Statement and Exhibit DW5, where an advert by LBL dated August 2001 from Kent Extra Publications, states ‘the original and probably the best log book loan company’. On this, Mr. Cook comments:

“This is actually an advertisement for ‘Cash Converters’. Cash Converters are one of our first agents and remain our main agent. This explains the reference to ‘original and best’. It is not correct that LBL were aware of any other company using the name LOG BOOK LOANS, whether as the name of a service or otherwise.”

- There is also other use cited by Mr. Wheeler, which he considers is descriptive – see Exhibit DW6, the result of an Internet search. However, all this material is well after the relevant date; the searches took place on 7th October 2002 and on the 4th September 2002. Mr. Cook responds:

“In paragraph 10 of David Wheeler’s statement there is a list of Internet searches carried out between September and October 2002. It should be noted that every one of the companies (bar one) referred to is either a franchisee or agent of LBL. The only exception to this is ‘Cable Cashpoint’. A cease and desist letter has been sent to that company and LBL are currently in negotiations with them.”

LAW

11. The relevant sections of the Act are:

“47(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).”

“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.”

DECISION

12. Mr. Groom, at the hearing, raised what might be called a ‘quasi-preliminary point’ in relation to his client’s evidence – about the significance of the date at which the various criteria in s. 3 should be applied in an invalidity action. S. 46 is clear that this refers to the process of registration in that the mark *was registered* in breach of s. 3 (c.f. s. 40(3)). This must be based on the date of application as this is the date at which a mark becomes as ‘earlier mark’ for the purposes of the Act (see s. 6(2)). In other words, the rights which registration grants apply from that point in time. I note this is also the case for the Directive (see Art. 4(2)(c)).
13. Mr. Groom suggested, only in passing, that the latter was out of step with the Act, in that the provisions relating to invalidity did not, necessarily, refer back to the registration process. Though this was not pursued, I will make the comment that I consider the Directive implicitly mirrors the Act (or, more accurately, the latter mirrors the former in making explicit what is implicit). In particular, see Art. 3(3) of the Directive where, both in relation to an initial application and an invalidity action, distinctive character accrued by use is assessed at the date of application. I think it is reasonable to infer that the status of a mark, in relation to registration, is determined at that date when the criteria of Art. 1(a) to (d) (s. 3(1)(a) to (d)) are also considered *prima facie*. Further, if invalidity actions could be initiated on the basis of s. 3(1) at any stage in the life of a mark, what is the purpose of s. 46(1)(c) (Art. 12(2)(a))? The date at which this matter is tested is, therefore, the date of application in this matter, that is, 23rd March 2001.
14. Before I leave this point, I note the following passage from the Court of First Instance in relation to Council Regulation (EC) No. 40/94 (which parallels the Directive) *eCopy Inc v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (T247/01) [2002] E.C.R. II-5301, at paragraph 36:

“..Article 7(3) of Regulation No 40/94 must be interpreted as meaning that a mark must have become distinctive through use before the application was filed. Accordingly, it is irrelevant that the mark may have acquired distinctiveness through use after the application was filed but before OHIM, in the person of the examiner or, where appropriate, the Board of Appeal, has determined whether there are any absolute grounds for refusing registration of the mark. It follows that OHIM may not have regard to evidence of use that occurred after the date of filing.

37. First of all, that interpretation is the only one compatible with the logic of the system of absolute and relative grounds for refusal in regard to the registration of Community trade marks. As Article 8(2)(a) and (b) of Regulation No 40/94 makes clear, the date of filing of the application, as defined in Article 26 of the regulation, determines the priority of one mark over another. In that connection, it must be pointed out that if a mark which became distinctive through use only after an application for its registration was filed were none the less registered, it could, in opposition or annulment proceedings,

constitute a relative ground for refusal to register a mark whose date of filing postdated that of the first mark. That situation could arise even though at the date of filing of the second mark, which had by that time become distinctive, the first mark had not yet acquired distinctiveness through use, and did not therefore satisfy the conditions for registration. Such an outcome cannot be accepted.

38. Secondly, the wording of Article 7(3) of Regulation No 40/94, which states that subparagraphs (b), (c) and (d) of Article 7(1) are not to apply if the trade mark ‘has become distinctive’ in relation to the goods or services for which registration ‘is requested’ in consequence of the use ‘which has been made of it’, supports this interpretation.

39. Thirdly, the interpretation suggested avoids a situation in which the chances that a mark’s distinctiveness acquired through use will be taken into account increase the longer the registration procedure takes.”

15. Notwithstanding this issue, Mr. Groom was also clear that the onus lay on his clients to prove that the mark was registered in error. And he prayed in aid the evidence submitted. Following my finding in respect of the relevant date, any evidence after this is not helpful to the applicant’s case.
16. Nevertheless, one must be sensible about this: material close to the date that shows a wide-spread and consistent non-trade mark use of the sign may indicate that such was well established before the relevant date. However, I have seen nothing to suggest that here. I have commented on the evidence as submitted by Mr. Wheeler (see paragraph 10 above), and remain unconvinced that, as of the relevant date, the term ‘log book loans’ was in used to describe the activities of holding a vehicle registration document as a surety against a loan. However, there does seem to be descriptive use of the term within a few months of the registration being granted (I discuss this point below) – I note the internet ‘hits’ in Exhibit DW6.
17. In passing, LBL’s defence to this evidence, as espoused by Mr. Cook, is that all the companies mentioned, bar one, were franchisees of theirs. This misses a significant point. The use indicated is ‘non-origin’, descriptive use. A license to use a trade mark, implied or otherwise, is not one to use it descriptively. That may well leave a party open to action under s. 46 of the Act as they have not actively sought to protect the integrity of their trade mark.
18. But that is not the issue before me. Rather I must consider, as a consequence of the situation that prevailed at the time of the application for the mark (and not at the time of this application), whether the mark LOG BOOK LOANS, *sans* use and the saving provisions of s. 3(1), served to designate the species of service it labels (s. 3(1)(c)), is a trade term of art (s. 3(1)(d) or is simply unable to enable a distinction between trade sources (s. 3(1)(b)). I will consider these sections in reverse to the order they appear in the Act.
19. Before doing so, it is worth noting that ss. 3(1)(b) and (c) attract different considerations. I was referred to the recent decision of the Court of Appeal *Socci et Des Produits Nestle S.A. v. Mars UK Limited* 2003 WL 21554720, that there are:

“..two different grounds on which registration [may] be refused: the presence of exclusive descriptiveness (s3(1)(c)) and the absence of any distinctiveness (s3(1)(b)).

The two grounds, although they no doubt overlap to some extent, are independent grounds for refusing registration. They have to be separately examined and considered. A mark may not be exclusively descriptive of the relevant goods or services and so not fall foul of s3(1)(c), but it may nevertheless be ‘devoid of any distinctive character’ and so fall foul of s3(1)(b).”

S. 3(1)(d)

20. I do not believe that I need to consider s. 3(1)(d) in any detail. Mr. Holah referred me to *Merz & Krell GmbH & Co.* [2002] E.T.M.R. 21, a decision of the ECJ:

“It follows that Article 3(1)(d) of the Directive must be interpreted as only precluding registration of a trade mark 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.”

“41... It is immaterial, when that provision is applied, whether the signs or indications in question describe the properties or characteristics of those goods or services.”

There is nothing here to show me that the mark was a technical expression as of the date of application, that it was, as of 23rd March 2001, customary in the current language of the trade. This ground fails.

S. 3(1)(c)

21. The following is from paragraphs 57 to 59 of *CYCLING IS...Trade Mark* [2002] R.P.C. 37 (shorn of case references):

“57 The question whether a particular sign possesses a distinctive character cannot be considered in the abstract ... It must be considered in relation to the goods or services for which registration has been requested In order to be registrable in that connection the sign in question must possess enough of a distinctive character to be regarded as an indication of trade origin by the relevant class of persons or at least a significant proportion thereof

58 The relevant class of persons consists of the trade and average consumers of the specified goods and services in the territory covered by the application for registration ... The average consumer of the goods or services concerned is to be regarded as reasonably well-informed and reasonably observant and circumspect It is to be remembered that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details ... It should also be borne in mind that the average consumer’s level of attention is likely to vary according to the category of goods or services in question.”

22. The essence of LBL’s argument in this regard is, though certainly not arbitrary or invented, the mark remains an allusive mark. This is because the real security of the loan made by these service providers is not the log book *per se*, but the car it registers. In that regard, *prima facie*, they believe it is not unregistrable under s. 3(1)(c): it is not a loan to buy a log book. Consequently, there is more than one meaning attributable to the expression: it requires

semantic ‘unwrapping’ and this is enough to grant it registration. In other words, the mark is characterized by enough elusive descriptiveness to escape the exclusion imposed by s. 3(1)(c); were it characterized by exclusive descriptiveness, it would be caught.

23. Mr. Holah referred to various cases of the Court of First Instance, in relation to Community Trade Mark Regulation 40/94 which, as I state above, parallels the Directive which the UK Act implements (Art. 7(1) is equivalent to s. 3(1)). In particular, *EUROCOOL (Eurocool Logistik GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (T34/00) [2003] E.T.M.R. 4)*:

“39... it is clear from the wording of Art.7(1)(b) of Regulation No. 40/94 that a minimum degree of distinctive character is sufficient to render inapplicable the ground for refusal set out in that article.”

“43 The fact that the sign at issue is made up of components which may allude to certain features of the services referred to in the application for registration and that the combination of those components complies with linguistic rules is not sufficient to justify application of the absolute ground for refusal laid down by Art.7(1)(b) of Regulation No. 40/94, unless it amounts to proof that such a sign, looked at as a whole, would not enable the section of the public targeted to distinguish the applicant's services from those of its competitors.”

“45... A Community trade mark is not necessarily a work of invention and is founded not on any element of originality or imagination but on its ability to distinguish goods or services on the market from goods or services of the same kind offered by competitors.”

“49... the term EUROCOOL is one which can be easily and instantly memorised by the section of the public targeted. It follows that the term EUROCOOL, taken as a whole, is inherently capable of being perceived by the targeted public as a distinctive sign.”

24. Of course, decisions relating to the Regulations are not binding on me, though they do match the Directive, and can provide valuable guidance. And there is certainly nothing here that one would disagree with. However, Mr. Holah went on to say, in his skeleton argument:

“In the same way, the Mark is easily and instantly memorised. The Mark allows customers to identify the origin of the services offered under the Mark and, while not an entirely invented trade mark, it is a distinctive neologism. To use the wording of Mr. Peggie in the report of the hearing: ‘It provides an indication of the nature of the services provided but use of the term LOG BOOK in this context is somewhat imaginative and novel.’

The term LOG BOOK LOANS was invented by LBL and there is no evidence that the term LOG BOOK LOANS was used by anyone else prior to the Relevant Date, let alone that it was commonly used or generic in the financial services sector. This is also instructive (see *EUROCOOL*, paragraph 50).

Auto [ALBL] has failed to establish that the Mark, looked at as a whole, would not enable the section of the public targeted to distinguish LBL’s services from those having a different commercial origin (paraphrased from *EUROCOOL*). As a result, the application for a declaration of invalidity under Section 3(1)(b) must fail.”

The reference to Mr. Peggie is to a decision following a hearing during the application stage of LBL's mark where an objection was lodged as to the registerability of the mark on absolute grounds. The full text of Mr. Peggie's statement (the hearing date was 8th January 2002), is:

“Section 3(1)(b)(c) objection waived.

The term is not descriptive for these services. It provides an indication of the nature of the service provided but use of the term ‘LOG BOOK’ in this context is somewhat imaginative and novel”

I have quoted this in full; though neither side included it in evidence Mr. Groom raised no objection at the hearing to the quotation made by Mr. Holah. In passing, the latter seemed to imply that the result Mr. Peggie came to raised the burden of proof the applicant had to meet. I do not accept that this is the case. Whatever the decision of the hearings officer, I must apply the law to the matter in hand as I see fit.

25. It is instructive to refer, again, to *Cycling Is...*:

“67 The case for allowing registration rests upon the proposition that the signs are cryptic to a degree which makes it more likely than not that they would carry connotations of trade origin (whatever other connotations they might also carry) in the minds of the relevant class of persons or at least a significant proportion thereof.

68 The case for refusing registration rests upon the proposition that the signs are visually and linguistically meaningful in a way which is more likely than not to relate the goods and services ... without also serving to identify trade origin in the minds of the relevant class of persons.”

26. I think I must come to the view that the mark in question was wrongly registered. In my view, it is thoroughly apt to describe the service at issue, that is, the mark is visually and linguistically meaningful in a way which is more likely than not to relate the goods and services, without also serving to identify trade origin in the minds of the relevant class of persons. My reasons for this finding is as follows.
27. First, it is clear from the evidence that the term ‘log book’ is still in common use as a euphuism for the V5 owners registration document (see Exhibit DW7). The service at issue here is that of a loan secured on possession of this document as surety on repayment of a loan based on the value of a car or other vehicle. (At the hearing I was informed that default on payment of the loan could result in repossession of the car which would then be sold at auction). It seems to me that the term ‘log book loan’ is perfectly appropriate to describe this type of service. It’s analogous to a loan secured on the handing over of a benefit book, which might appositely be called a benefit book loan.
28. Next, the fact that there are other ways to describe the service is irrelevant. This is as suitable as any of them and – possible due to the alliteration between the l’s of ‘log’ and ‘loan’ – more attractive than most. The descriptive use of the term (even by LBLs own franchisees in Exhibit DW6) rather supports my belief in the aptness of the expression to the service on

offer. That Mr. Holah stated in argument that ‘customers need quite a lot of explaining to before they understand how this particular service works’ may be so, but that does not mean they would not regard the mark as completely descriptive of the service once they do so.

29. Third, I was referred to the decision of the ECJ in *WINDSURFING* case (*Windsurfing Chiemsee Produktions-und Vertriebs GmbH v Boots- und Segelzubehör Walter Huber and Franz Attenberger*) [1999] E.T.M.R. 585, paragraph 31, where Mr. Groom suggested that there was a degree of foreseeability in any assessment of the level of descriptiveness in a mark under s. 3(1)(c). Of course, *WINDSURFING* was concerned with the geographical indications, but I think this applies more generally as well. S. 3(1)(c) says ‘may serve in trade’ which suggests that consideration of the aptness of a mark to describe includes an element of futurity as well (see also paragraph 31 of *CYCLING IS...*). Thus, being a neologism will not save a mark if it is descriptive. (I am reminded of the *OVEN CHIPS* case (*McCain International v Country Fair Food* [1981] R.P.C. 69), which was, of course, about passing off, but nevertheless demonstrates that being first with a name is no guarantee that one will retain rights in it. As in that case, the mark was a neologism, but not a distinctive one.)
30. Next, Mr. Holah also quoted the *BABYDRY* case (*Procter & Gamble Company v. Office for Harmonisation In the Internal Market (Trade Marks and Designs)* [2002] E.T.M.R. 3). At paragraph 40 this states:

“40 As regards trade marks composed of words, such as the mark at issue here, descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form. *Any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services or their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark.*”

“43 As it is, that word combination, whilst it does unquestionably allude to the function which the goods are supposed to fulfill, still does not satisfy the disqualifying criteria set forth in paragraphs 39 to 42 of this judgment. Whilst each of the two words in the combination may form part of expressions used in everyday speech to designate the function of babies’ nappies, their *syntactically unusual juxtaposition* is not a familiar expression in the English language, either for designating babies’ nappies or for describing their essential characteristics.

44 Word combinations like *BABY-DRY* cannot therefore be regarded as exhibiting, as a whole, descriptive character; they are *lexical inventions* bestowing distinctive power on the mark so formed and may not be refused registration under Article 7(1)(c) of Regulation No. 40/94.” (Emphasis Mr. Holah’s).

31. I do not believe that this much helps much. *BABYDRY* (though explicable and unimaginative) requires additional words to grant sense, *LOG BOOK LOANS* does not need any addition to explain itself.
32. In the course of his submissions, Mr. Holah also referred to the Opinion of the Advocate General in the *DOUBLEMINT* Case C191-01. The decision of the ECJ on the latter (see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr* 2003 WL 101985) was published on the Thursday following the hearing here. I

asked the parties, by letter, to provide their comments on the judgment, as I considered it very germane to this case, and they had not had an opportunity to comment at the hearing. Only Mr. Holah did so; I consider his comments shortly, but first I will summarise the background to *DOUBLEMINT*.

33. Registration of the mark on Wrigley's chewing gum was objected to by the OHIM because it was felt that the two words combined are descriptive of a characteristic of the goods, namely their mint-based flavour. This decision was overturned by the Court of First Instance which felt that the mark could not be said to be exclusively descriptive and was therefore free from objection under Section 3(1)(c) – it retained two meanings: twice the mint flavour or containing two mint flavours, and thus, to an English speaking consumer, *DOUBLEMINT* would therefore be perceived as having no precise descriptive meaning.
34. The OHIM disagreed and appealed to the ECJ. The ECJ confirmed the validity of the OHIM's approach that a word such as *DOUBLEMINT* does not cease to be descriptive simply because it can have several meanings and is therefore ambiguous. – In the mind of the average consumer, *DOUBLEMINT* is spontaneously associated with certain potential characteristics of the goods in question, namely their mint-based composition and their mint flavour, so that the word is necessarily descriptive and cannot therefore be registered as a Community trade mark. The Court agreed and, further, stated:

“32 In order for OHIM to refuse to register a trade mark under Article 7(1)(c) of Regulation No 40/94, it is not necessary that the signs and indications composing the mark that are referred to in that article actually be in use at the time of the application for registration in a way that is descriptive of goods or services such as those in relation to which the application is filed, or of characteristics of those goods or services. It is sufficient, as the wording of that provisions itself indicates, that such signs and indications could be used for such purposes. A sign must therefore be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned.”

35. ECJ went on to say that the test under Art. 7(1)(c) was whether the word at issue was capable of being used by other economic operators to designate a characteristic of their goods and services, not whether it was exclusively descriptive of the goods or services in respect of which registration is sought, or of their characteristics, and therefore incapable of registration.
36. In his letter in response to my request, Mr. Holah stated:

“This decision does not, in our view, mean that the mark *LOG BOOK LOANS* should be invalidated. As argued in the hearing, the mark *LOG BOOK LOANS* does not actually designate any of the characteristics of ‘loan services, credit services, financing services; information and advisory services relating to the aforesaid’. There is a large mental jump to be made between the trade mark and any ‘characteristic’ of those goods or services.”

Something very similar was said at the hearing:

“.. we have to look at the specification of this registration, which is not loaning money against the security of motor vehicles; it is much wider than that. It is loan services, credit services, and financing services without any kind of limitation. With this mark being registered only in June 2002, the registered proprietor does, of course, have five

years to make full use of the mark across the specification. It is certainly true that secured lending based around motor vehicles is what has happened so far, but I do not know whether that is the intention of the registered proprietor or whether the use will be extended beyond that.”

37. The goods or services for which the mark is registered are loan services, credit services and financing services, and it seems to me that the service of lending against the value of a motor car, secured on the retention of its log book, falls within each of these, and therefore all must be invalidated. I do not believe it is up to me to decide which categories of service under these more general appellations can be distinctively branded LOG BOOK LOANS. Returning to *DOUBLEMINT*, Mr. Holah is not applying the test set out by the ECJ above: the answer to the question as to whether the sign LOG BOOK LOANS is capable of being used by other economic operators to designate a characteristic of their goods and services is, as I have already found, yes. This principle is echoed in the following passage from *CYCLING IS...*:

“In the case of wholly descriptive signs and indications there is nothing for such protection to attach to or bite upon. Such signs and indications can be used with equal truth by traders whose goods or services possess the relevant characteristic.”

In my view, this could have been written with the sign LOG BOOK LOANS in mind. The application succeeds on this ground.

S. 3(1)(b)

38. The assertion of the opponent is that, at the relevant date, whether or not the mark was descriptive of the service of providing a loan against the value of a vehicle, for which the log book was a surety, the mark is, anyhow, ‘devoid of any distinctive character’ under s. 3(1)(b). In *NESTLE*, HAVE A BREAK was found to be an example of a mark that was not descriptive of the goods at issue, but was non-distinctive nonetheless: it was, in the words of the Appointed Person in *CYCLING IS...*, ‘origin-neutral’, that is, devoid of distinctive character, but out with ss. 3(1)(c) and (d). Some slogans fit into this mold. Effectively, such marks are regarded, in the words of the Court of First Instance in *REWE ZENTRAL AG V. OFFICE FOR HARMONISATION IN THE INTERNAL MARKET (TRADE MARKS AND DESIGNS)* [2002] E.T.M.R. 91, to be:

“...incapable of performing the essential function of a trade mark, namely that of identifying the origin of the goods or services, thus enabling the consumer who acquired them to repeat the experience, if it proves to be positive, or to avoid it, if it proves to be negative, on the occasion of a subsequent acquisition.”

Such signs provide abstract information that does not allow the consumer to mentally register them as marks of trade (see *Sykes Enterprises, Incorp v OHIM (Real People Real Solutions)* T-130/01). This is not such a mark. I do not agree with Mr. Groom that it is origin neutral.

39. Nevertheless, following my conclusion on the s.3(1)(c) ground, I think consideration of this ground is unnecessary. I have found it to be descriptive of the goods. If it fails s. 3(1)(c) (as I have so found), it cannot but fail s. 3(1)(b). As a consequence, the invalidity action succeeds, on both these grounds.

CONCLUSION

40. I declare trade mark number 2265225 to be invalid in its entirety and, in accordance with Section 47(6) of the Act, the registration will be deemed never to have been made.

COSTS

41. The applicant is entitled to an award of costs as a token of their success. Mr. Groom suggested that any costs award to the applicant should reflect their position that they considered a hearing unnecessary, and that a decision could be made from the papers – it was the LBL who requested a hearing.
42. Of course, to be heard is the right of any party to a decision before the Registrar. Despite the original recommendation of the Registrar (and that is all it is) I think I benefited from listening to the submissions of the parties. I have not inflated the applicant's cost award as a result which I set at £2000. This is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 26th Day of November 2003.

**Dr W J Trott
Principal Hearing Officer
For the Registrar**