

O-092-08

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2420205B
BY CAPITAL SHOPPING CENTRES PLC
TO REGISTER A TRADE MARK IN CLASS 35**

BACKGROUND

1. On 13 April 2006, Capital Shopping Centres Plc of 40 Broadway, London SW1H 0BT (“the applicant”) applied to register trade mark number 2420205 under the provisions of the Trade Marks Act 1994. The series of two marks consists of the words “victoria centre nottingham” presented in a stylised fashion shown below:



victoria centre
nottingham

2. The mark was originally applied for in respect of a range of goods and services in classes 16, 35, 36, 37, 39, 41, 42, 43, 44 and 45. The class 35 specification presented on the original application form listed the following services:

Class 35 The bringing together for the benefit of others, of a variety of retail outlets, entertainment, restaurant and other services, enabling customers to conveniently view and purchase goods and services and make use of such facilities in a shopping centre or mall; the bringing together for the benefit of others, of a variety of retail outlets connected with one or more of the following types of goods, namely, beauty products, toiletries, medicines, health and healthcare products and equipment, household goods, homeware, pet products, car care products, machines for household use, hand tools, gardening tools and accessories, optical goods, cameras, domestic electrical and electronic equipment, including white goods, jewellery, clocks, watches, musical instruments, stationery, publications, artists' materials, CDs, DVDs, leather goods, luggage, travel accessories, furniture, household containers and utensils, furnishings, textiles, clothing, footwear, headwear, haberdashery, toys and games, sports equipment, foodstuffs, drinks and tobacco products, entertainment, restaurant and other services, enabling customers to conveniently view and purchase goods and services and make use of such facilities in a shopping centre or mall; the bringing together for the benefit of others, of a variety of beauty products, toiletries, medicines, health and healthcare products and equipment, household goods, homeware, pet products, car care products, machines for household use, hand tools, gardening tools and accessories, optical goods, cameras, domestic electrical and electronic equipment, including white goods, jewellery, clocks, watches, musical instruments, stationery, publications, artists' materials, CDs, DVDs, leather goods, luggage, travel accessories, furniture, household containers and utensils, furnishings, textiles, clothing, footwear, headwear, haberdashery, toys and games, sports equipment, foodstuffs,

drinks and tobacco products, enabling customers to conveniently view and purchase those goods within retail stores located in a shopping centre or mall; department store services in connection with the sale of beauty products, toiletries, medicines, health and healthcare products and equipment, household goods, homeware, pet products, car care products, machines for household use, hand tools, gardening tools and accessories, optical goods, cameras, domestic electrical and electronic equipment, including white goods, jewellery, clocks, watches, musical instruments, stationery, publications, artists' materials, CDs, DVDs, leather goods, luggage, travel accessories, furniture, household containers and utensils, furnishings, textiles, clothing, footwear, headwear, haberdashery, toys and games, sports equipment, foodstuffs, drinks and tobacco products and retail store services provided by stores connected with one or more of the foregoing types of goods; the bringing together, for the benefit of others, via the Internet, of a variety of beauty products, toiletries, medicines, health and healthcare products and equipment, household goods, homeware, pet products, car care products, machines for household use, hand tools, gardening tools and accessories, optical goods, cameras, domestic electrical and electronic equipment, including white goods, jewellery, clocks, watches, musical instruments, stationery, publications, artists' materials, CDs, DVDs, leather goods, luggage, travel accessories, furniture, household containers and utensils, furnishings, textiles, clothing, footwear, headwear, haberdashery, toys and games, sports equipment, foodstuffs, drinks and tobacco products, financial services and telecommunications services through a virtual shopping mall, enabling customers to conveniently view and purchase those goods and services by means of telecommunications; electronic shopping retail services connected with the sale of beauty products, toiletries, medicines, health and healthcare products and equipment, household goods, homeware, pet products, car care products, machines for household use, hand tools, gardening tools and accessories, optical goods, cameras, domestic electrical and electronic equipment, including white goods, jewellery, clocks, watches, musical instruments, stationery, publications, artists' materials, CDs, DVDs, leather goods, luggage, travel accessories, furniture, household containers and utensils, furnishings, textiles, clothing, footwear, headwear, haberdashery, toys and games, sports equipment, foodstuffs, drinks and tobacco products; provision of information over the Internet about retail opportunities.

3. An examination report was issued on 14 July 2006, in which objections under section 5(2) of the Trade Marks Act 1994 were raised against classes 16, 35, 36, 37, 39, 41, 42 and 43. In class 35, specification objections were also raised in respect of “financial services” and “telecommunications”.

4. Following exchanges of correspondence between the examiner and Nabarro Nathanson (“the agent”), the section 5(2) objections raised against classes 16, 36 and 37 were ultimately overcome, leaving objections in respect of classes 35, 39, 42 and 43.

5. By letter of 9 February 2007, the agent submitted a memorandum written by Mr Guy Heath, Partner, Nabarro Nathanson, setting out a number of arguments in support of the applicant's class 35 terms. At this stage, the examiner had not formally raised an objection to the retail-type wording used in the applicant's class 35 specification, although it had reserved the right to address these points at a later stage (examiner's letter of 16 February 2007 refers).

6. In her letter of 7 March 2007, the examiner then formally raised an objection under rule 8(2)(b) of the Trade Marks Rules 2000, highlighting the relevant terms in class 35.

7. Following further exchanges of correspondence, the agent requested that the case be suspended pending the outcome of two separate applications which were being heard in respect of a near-identical rule 8(2) objection. Following the examiner's agreement to an extension of time, in October 2007 the agent then instructed the examiner to divide the application into two parts – the first (2420205A) covering all goods and services *except* those subject to the rule 8 objection, and the second (2420205B) limited solely to those class 35 terms which *did* face an objection.

8. The examiner responded by dividing the mark as requested. Application number 2420505B (which is the subject of this decision) was created in respect of the following specification:

Class 35 The bringing together for the benefit of others, of a variety of retail outlets, entertainment, restaurant and other services, enabling customers to conveniently view and purchase goods and services and make use of such facilities in a shopping centre or mall; the bringing together for the benefit of others, of a variety of retail outlets connected with one or more of the following types of goods, namely, beauty products, toiletries, medicines, health and healthcare products and equipment, household goods, homeware, pet products, car care products, machines for household use, hand tools, gardening tools and accessories, optical goods, cameras, domestic electrical and electronic equipment, including white goods, jewellery, clocks, watches, musical instruments, stationery, publications, artists' materials, CDs, DVDs, leather goods, luggage, travel accessories, furniture, household containers and utensils, furnishings, textiles, clothing, footwear, headwear, haberdashery, toys and games, sports equipment, foodstuffs, drinks and tobacco products, entertainment, restaurant and other services, enabling customers to conveniently view and purchase goods and services and make use of such facilities in a shopping centre or mall; the bringing together, for the benefit of others, via the Internet, of a variety of beauty products, toiletries, medicines, health and healthcare products and equipment, household goods, homeware, pet products, car care products, machines for household use, hand tools, gardening tools and accessories, optical goods, cameras, domestic electrical and electronic equipment, including white goods, jewellery, clocks, watches, musical instruments, stationery, publications, artists' materials, CDs, DVDs, leather goods, luggage, travel accessories,

furniture, household containers and utensils, furnishings, textiles, clothing, footwear, headwear, haberdashery, toys and games, sports equipment, foodstuffs, drinks and tobacco products, financial services and telecommunications services through a virtual shopping mall, enabling customers to conveniently view and purchase those goods and services by means of telecommunications.

9. Having lifted the suspension in order to divide the original application, the agent then wrote to the examiner stating her intention to submit a request for a statement of reasons for the registrar's decision (form TM5) in respect of application number 2420205B. Implicit in this letter was the agent's confirmation that she did *not* intend to amend the class 35 specification in response to the examiner's comments.

10. With the class 35 terms being deemed unacceptable in the context of rule 8(2), and with the agent confirming her decision *not* to provide any further clarification, the examiner was left with little option but to formally refuse the application under section 37(4) of the Trade Marks Act 1994.

11. A formal notice of refusal was issued on 4 February 2008. The Office then received a form TM5 dated 11 February 2008. As a result of accepting this form, I am now required under section 76 of the Act and rule 62(2) of the Rules to state in writing the grounds of the Registrar's decision and the materials used in arriving at it.

DECISION

12. The agent did not present any new submissions with the form TM5. As a consequence, I must make my decision solely on the basis of the arguments which had already been expressed *prior* to the application being formally refused. Although the examiner and the agent have exchanged a number of papers since the case was examined, I note that the rule 8(2)(b) objection was raised at a relatively late stage in proceedings. This means that there are only a limited number of letters both from the agent and from the examiner which deal specifically with the point on which the application was ultimately refused. The papers which are of relevance to this decision are as follows:

- (i) The agent's letter dated 9 February 2007, enclosing a memorandum from Mr Guy Heath of Nabarro Nathanson. This memorandum addresses objections raised under Rule 8(2) in response to specifications in connection with shopping centres and mixed-use developments.
- (ii) The examiner's official response dated 7 March 2007.
- (iii) The agent's letter dated 12 March 2007, filed in response to the Registrar's letter of 7 March 2007
- (iv) The examiner's letter dated 21 April 2007.

13. In order to make this decision as comprehensive as possible, I will seek to confirm the official refusal under rule 8(2) by addressing all of the substantive points raised by

the agent in his correspondence of 9 February 2007 and 12 March 2007. Nevertheless, in the absence of any new arguments being presented at the time of filing the request for a statement of grounds of the decision, I am aware that those points raised by the agent's memorandum have *already* been subject to an official response via the examiner's official letter dated 7 March 2007. Therefore, where appropriate, I will refer to written submissions and responses already issued by the examiner.

14. The grounds for objection to the application are under the terms of rule 8(2)(b) of the Trade Marks Rules 2000. If the objection raised under this section of the secondary legislation was not justified, then final refusal of the mark under section 37(4) of the Trade Marks Act 1994 should not have been issued.

15. Rule 8(2) of the Trade Marks Rules 2000 reads as follows:

8. – (2) Every application shall specify –

(a) the class in Schedule 4 to which it relates; and

(b) the goods or services which are appropriate to the class and they shall be described in such a way as to indicate clearly the nature of those goods or services and to allow them to be classified in the classes in Schedule 4.

16. In the context of rule 8(2), which confirms the obligation on the part of the applicant to provide specifications which clearly indicate and describe the goods and/or services intended for coverage, reference must also be made to section 37(4) of the Act which states the following:

37. - (4) If the applicant fails to satisfy the registrar that those requirements [for registration] are met, or to amend the application so as to meet them, or fails to respond before the end of the specified period, the registrar shall refuse to accept the application.

17. In its introductory paragraphs under section 1(1), the Act confirms the minimum criteria required for a sign to be considered a trade mark by stating that it must be “capable of being represented graphically” and, more significantly in this case, that it must be “capable of distinguishing goods or services of one undertaking from those of other undertakings”. It is implicit in this statement that, in order for any mark to be capable of distinguishing goods or services, one must be aware of what those goods or services actually are. The examiner's refusal of this application under section 37(4) (pursuant to rule 8(2)) is based upon the Registrar's belief that the class 35 terms listed at paragraph 8 do *not* constitute a description or clear indication of those services intended for coverage via registration of the trade mark application in suit. There is some doubt whether they are, in fact, services within the meaning of the Act.

18. In its first set of submissions filed specifically in the form of the memorandum dated 1 February 2007 (under cover of the letter dated 9 February 2007), the agent sought to justify the specification's clarity by presenting a list of nine characteristics and activities commonly displayed by those who, in the agent's words “develop and operate” shopping centres. These included *inter alia* the fact that shopping centres are heavily branded in their own right; that they make a selling point of the range of

retailing and other facilities they provide within; and the fact that they derive economic benefit by taking “turnover rents”. In drawing its conclusion from this list, the agent alleged that such developers and operators “provide the services of bringing together a range of retail and other services together for the benefit of others”. Reference was also made to the fact that the Community Trade Mark Office had recently accepted specifications very similar to those which are now subject to an objection under rule 8 in this case.

19. In response to these arguments, the examiner made reference to the EC Treaty, where Article 4 defines a service as being “any self-employed economic activity, as referred to in Article 50 of the Treaty, consisting in the provision of a service for economic consideration”. The following reference to Article 50 (previously Article 60) was also provided:

“Services shall be considered to be ‘services’ within the meaning of this Treaty where they are normally provided for remuneration, insofar as they are not governed by the provisions relating to freedom of movement for goods, capital and persons. ‘Services’ shall in particular include:

- (a) activities of an industrial character;
- (b) activities of a commercial character;
- (c) activities of craftsmen;
- (d) activities of the professions.

Without prejudice to the provisions of the Chapter relating to the right of the establishment, the person providing a service may, in order to do so, temporarily pursue his activity in the State where the service is provided, under the same conditions as are imposed by that State on its own nationals .”

20. In further support of her belief that the terms filed are not sufficiently clear for the purposes of rule 8(2), the examiner made reference to a number of rulings from the European Court of Justice (ECJ), which are repeated here. In Case C-157/99 *B.S.M. Geraets-Smits v Stichting Ziekenfonds VGZ and H.T.M. Peerbooms v Stichting CZ Groep Zorgverzekeringen*, the ECJ accepted that Article 50 of the Treaty “does not require that the service be paid for by those for whom it is performed”. However, in Case C-355/00, a reference to the ECJ under Article 234 EC by the Diikitiko Protodikio Thessalonikis (Greece) for a preliminary ruling in the proceedings between Freskot AE and Elliniko Dimosio, the ECJ stated:

“54. Furthermore, the concept of ‘services’ within the meaning of Article 60 of the Treaty implies that they are ordinarily provided for remuneration.

55. The Court has already held that the essential characteristic of remuneration lies in the fact that it constitutes consideration for the service in question, and is normally agreed upon between the provider and the recipient of the service (see Case 263/86 *Humbel and Edel* [1988] ECR 5365, paragraph 17, and Case C-109/92 *Wirth* [1993] ECR I-6447, paragraph 15).”

Additionally, in Case C-422/01, a reference to the ECJ under Article 234 EC by the Regeringsrätten (Sweden) for a preliminary ruling in the proceedings pending before that court between Försäkringsaktiebolaget Skandia (publ), Ola Ramstedt and Riksskatteverket on the interpretation of the EC Treaty and Article 49 EC in particular stated:

“Article 50 EC provides that services are to be considered to be services within the meaning of the Treaty where they are normally provided for remuneration. It has already been held that, for the purposes of that provision, the essential characteristic of remuneration lies in the fact that it constitutes consideration for the services in question (see Case 263/86 *Belgian State v Humbel* [1988] ECR 5365, paragraph 17).”

21. In the context of such references, the examiner argued that the class 35 terms applied for do not constitute clear statements of services, noting that those activities and characteristics attributed by the agent to undertakings who develop and operate shopping centres (and which are reflected in the specifications in question) are not necessarily subject to remuneration *in their own right*. The examiner emphasised the fact that services such as restaurants and entertainment establishments *are* remunerated in their own right, with payment received directly in response to the service provided. It was also pointed out that those services which are provided in respect of remuneration are proper to specific classes e.g. entertainment services in class 41, restaurant services in class 43 etc. I agree with all of these points.

22. By way of responding, the agent submitted the letter dated 12 March 2007. In this letter, references were made to the *Praktiker* case, both in respect of the opinion of the Advocate General (“AG”) dated 13 January 2005 and the ECJ’s judgement of 7 July 2005 (Case C-418/02 *Praktiker Bau- und Heimwerkermärkte AG*). As the agent’s primary argument centred on the concept of remuneration, emphasis was placed on the AG’s opinion which, in relation to the service of bringing together goods, confirmed that remuneration does not have to be subject to a separate invoice, but may be recovered more implicitly through the the sale of a product and any likely profit margin.

23. The examiner then responded by way of her letter dated 21 April 2007. In this letter, the examiner confirmed her awareness of the *Praktiker* case and provided further clarification on the issue of remuneration.

24. Having reviewed all the relevant correspondence, the agent’s submissions appear to have their foundations in two main claims – firstly, that the terms applied for in class 35 reflect the activities undertaken by the developers and operators of shopping malls, thereby constituting a clear statement of service; and secondly, that evidence of *remuneration* for those services provides further proof of their validity as a specification proper to class 35.

25. With the first of those two claims having already been addressed by way of the examiner’s letter of 7 March 2007, I shall focus upon the issue of remuneration. In the agent’s letter of 12 March 2007, reference is made both to the Advocate General’s opinion on *Praktiker* and the subsequent judgement from the ECJ. Of the two, the judgement is far less explicit in its reasoning, and whilst there may be some

agreement in the conclusions reached, the ECJ does not comment upon, or endorse, the opinions of the AG. That aside, the AG does provide some useful clarification.

26. We are in agreement that for an activity to be considered a ‘service’ within the meaning of Article 50 of the Directive, it must be provided for remuneration. The wording of that Article and the relevant paragraphs from *Praktiker* make this absolutely clear. Furthermore, we are also in agreement that, where a retailer’s services form part of a transaction relating to the sale of goods *not* involving any separate payment, the ECJ’s judgement does imply that there is no need for evidence of any separate charge agreed upon between the provider and the recipient. In such circumstances, the charge for the service will be recovered in the price of the goods, with the actual amount being unknown to the customer. In the context of the nine activities and characteristics identified by the agent as being representative of a developer or operator of a shopping centre (paragraph 18 refers), I accept that some element of remuneration must take place i.e. an individual or company responsible for managing and running a shopping centre must have *some* level of profit margin in order to continue operating.

27. It is important to note that the *Praktiker* judgement and opinion both addressed the terms “retail trade in building, home improvement, gardening and other consumer goods for the do-it-yourself sector”. In that case, the issue of remuneration was considered clearly in the context of a specification denoting services provided in connection with retail trade in goods. The judgement also described the relevant services as being, in addition to the sales transactions, “all activity carried out by the trader for the purpose of encouraging the conclusion” of the sale. The AG mentioned specific activities such as the selection of goods, bringing them together and displaying them, the quality of the service and advice provided by the staff, or the location and accessibility of the shop (AG’s opinion, paragraph 49). He specifically excluded services such as the provision of finance, insurance or repair which are offered in connection with the sale, but which “form the subject-matter of a contract separate from the sale itself” (AG’s opinion, paragraph 48).

28. By comparison to the *Praktiker* case, the specification claimed by application number 2420205B appear to have far less of a direct connection with the selection or purchasing of goods. Although qualified as being for the purpose of enabling customers to conveniently view and purchase goods and services, the specifications *primarily* describe the bringing together of retail outlets, entertainment, restaurants, financial services, telecommunications services and ‘other’ services.

29. In its judgement on *Praktiker*, the ECJ was absolutely clear that there must not only be remuneration, but that the remuneration must take place specifically in relation to the service said to be being provided. I am aware that, for the purposes of providing a so-called ‘mixed-use’ environment, a shopping centre may now incorporate a number of additional features such as restaurants, cinemas, creche facilities and even housing developments, all of which will be provided in order to make that environment more attractive to a potential customer. I am also aware that remuneration takes place in respect of such services, largely in the form of direct transactions *either* between the service provider and the customer (for example, the bill for food and drink paid by the user of a restaurant situated within a shopping mall) *or* between the leaseholder and the business service provider (for example, rents

paid by that restaurant to its landlord with responsibility for the shopping mall). In both cases ‘remunerations’ are received specifically in relation to services provided i.e. the provision of food and drink in class 43, and real estate leasing proper to class 36.

30. In this case, where the specifications in question appear to simply describe the ‘placement’ or ‘arrangement’ of third-party service providers within a physical or virtual environment (as referred to in paragraph 28 above), I cannot see how those specifications reflect the provision of a service where remuneration would actually take place. This is not to say that the provider of a shopping mall facility would not receive remuneration for the business it undertakes. Having reviewed the office’s classification database, there are a range of terms which describe services provided by the operator of a shopping centre such as, for example, ‘commercial retail property development services’ in class 37, ‘shopping centre planning (design) services’ in class 42, and ‘arranging of leases for the rental of commercial property’ in class 36. In comparison, the applicant’s terms such as “the bringing together of a variety of retail outlets... and other services enabling customers to conveniently view and purchase goods and services and make use of such facilities” fall well short of being clearly defined.

31. The fact that I am unable to see how remuneration will be offered in response to those activities claimed in class 35 reflects on the specification’s inability to meet the criteria set out by rule 8(2)(b). I accept that operators and developers do engage in specific commercial activities such as those listed in the agent’s memorandum of 1 February 2007 (i.e. the offering of ancillary functions such as car parks and creches, along with the provision and arrangement of secondary services such as restaurants and cinemas). I also accept that payment is likely to be received in the form of rentals from leaseholders, revenues from car park charges etc.) However, such services are provided in their own right and receive remuneration accordingly. Furthermore, if such services are intended for coverage by way of a trade mark registration, then there are clear terms (including, but not limited to, those contained within the World Intellectual Property Organisation’s published list of goods and services for classification) which an applicant may use.

32. In this case, the terms which have been applied for (and which are listed at paragraph 8 above) do not clearly indicate the nature of any service being provided. The correspondence submitted by the agent in response to the objection has helped both the examiner and myself to obtain some idea of what the applicant appears to be engaged in. However, this does not justify acceptance of the terms as filed. Whilst the agent’s comments confirm that the applicant is providing services *per se*, the terms employed to describe them are neither accurate nor sufficiently clear. To meet the criteria set out in rule 8(2)(b), reworded terms should have been submitted as part of the examination process (in retrospect, it is also likely that some of those terms would have then described services proper to other classes). Additionally, from the perspective of an interested third party (who may not enjoy the benefit of access to the agent’s submissions and explanations filed in support of the application), the lack of clarity in the terms applied for would have a detrimental effect on one’s ability to assess the scope of protection offered by the registration (with possible implications on any future infringement action).

33. For those reasons, I conclude that the class 35 specification listed in 2420205B does not comply with the requirements of rule 8(2)(b) of the Trade Marks Rules 2000 (as amended) as it fails to provide a clear indication of the nature of those services intended for coverage. The application also therefore fails to meet the requirements set out in section 1(1) of the Trade Marks Act 1994 and is hereby refused under section 37(4).

Dated this 31st day of March 2008

**Nathan Abraham
For the Registrar
The Comptroller-General**