O-0948-23

TRADE MARKS ACT 1994
IN THE MATTER OF
TRADE MARK APPLICATION NO. 3718319
BY BAST FIBRE TECHNOLOGIES INC.
TO REGISTER

CIRCULAR ECONOMY 2.0

AS A TRADE MARK
IN CLASSES 21, 22, 23, 24, 25 & 40
AND OPPOSITION THERETO (UNDER NO. 434221)
BY
ELLEN MACARTHUR FOUNDATION

Background & Pleadings

1. Bast Fibre Technologies Inc. ("the applicant") applied to register the trade mark **CIRCULAR ECONOMY 2.0** on 5 November 2021. The mark was published in the Trade Marks Journal on 18 March 222 for the following goods and services:

> *Class 21: Non-woven textile wipes for cleaning; non-woven baby wipes; non-woven cosmetic wipes.*
> *Class 22: Refined naturally-derived bast fibers for use in nonwoven materials for conversion into a variety of industrial and consumer goods; raw textile fibers.*
> *Class 23: Yarns and threads formed from bast fibers for textile use.*
> *Class 24: Nonwoven textile fabrics; textiles and fabrics formed from bast fibers.*
> *Class 25: clothing formed from non-woven fabric*
> *Class 40: Production and processing of bast fibres on behalf of third parties; manufacturing and engineering services for others in the field of bast fibres and non-woven fabrics and textiles; provision of bast fibers to non-woven converters*

2. Ellen Macarthur Foundation ("the opponent") opposed the application under sections 3(1)(b) and (c) of the Trade Marks Act 1994 ("the Act"). The opponent's grounds under section 3(1)(b) and (c) are as follows:

- That under 3(1)(c) – "The average consumer is likely to understand this as a composite term indicating that the goods are produced according to the principles of the circular economy; that they are recycled, re-used or regenerated, as a means of reducing waste and more sustainably or efficiently continuing production, and the services offered also adhere to this. 2.0. will merely be understood as a second generation of the economic model, an upgraded, updated or advanced version. It is in the public (and environmental) interest that the sign may be freely used by all. Permitting a monopoly on the sign will hinder the ability of organisations to indicate their adoption of a circular economy business model and, in turn, furtherance of a circular economy."

- That under 3(1)(b) – “Since the sign is descriptive under section 3(1)(c), it is also devoid of devoid of any distinctive character with regard to those same goods and services for the purposes of section 3(1)(b). Further and in the alternative, the sign is nothing more than a promotional statement, informing the relevant consumer that the services being purveyed adhere to circular practices and the goods are circular products. There is consumer demand for circular economy products and services. In that regard, the sign first and foremost conveys a positive image of the goods and services. The sign will merely be understood as a statement that the goods and services are manufactured, carried out or otherwise managed by a company in a way to reduce their environmental impact. 2.0. will be understood as indicating a second generation of the economic model, an upgraded, updated or advanced version.”

3. The applicant filed a counterstatement in which it denied the grounds of opposition.

4. The parties have been represented throughout these proceedings. The applicant is represented by Withers & Rogers LLP and the opponent by HGF Limited.

5. Both sides filed evidence in these proceedings and the opponent filed written submissions in lieu of a hearing.

6. I make this decision based on a reading of all the material before me.

7. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

Opponent's evidence in chief

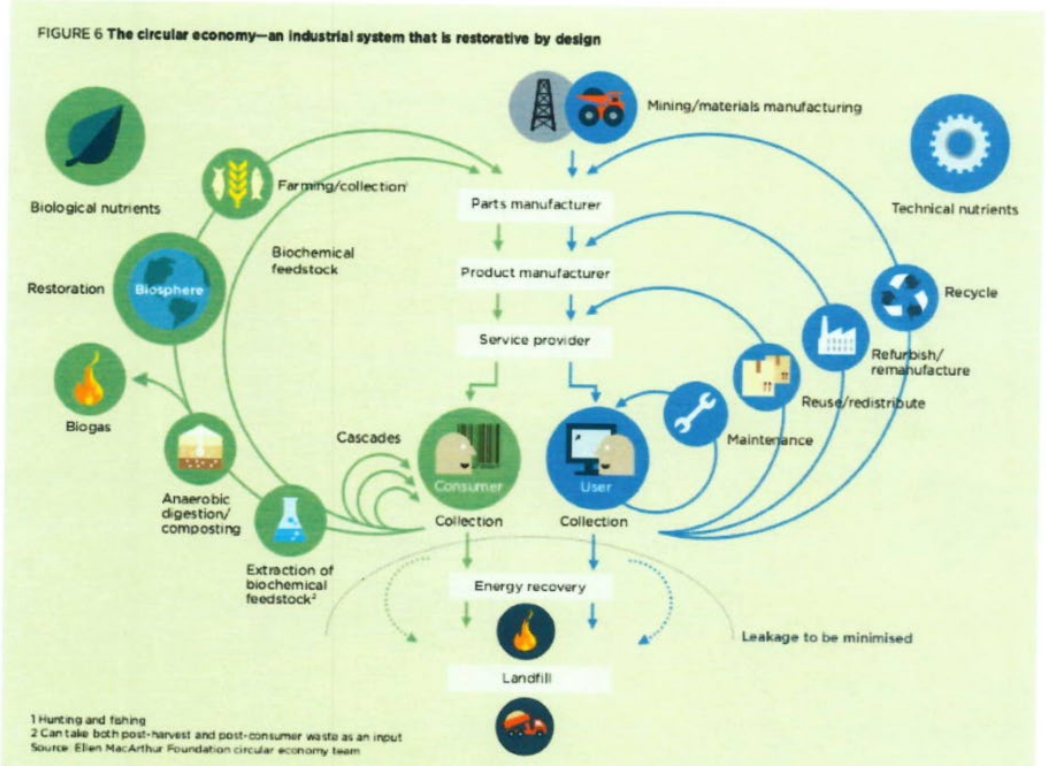
8. The opponent filed two witness statements and associated exhibits. The first witness statement was filed in the name of Joanne Bootle, who is the opponent's Chief Operating Officer. Ms Bootle appends 9 exhibits. Ms Bootle's witness statement and exhibits go to the meaning of the term "circular economy". The second witness statement was filed in the name of Sean McDonagh, a senior Chartered Trade Mark Attorney at HGF Limited, who are the opponent's legal representatives. His witness statement goes to the meaning of the term "2.0" and Mr McDonagh appends 2 exhibits.

9. Taking Ms Bootle's evidence first, she exhibits the following definition from the Oxford English Dictionary dated December 2021[1] in which it defines the term **circular economy** as:

> **"circular economy** n. an economic system in which the journey of a product, material, etc., leads back in some way to where it began; (now esp.) a system or process which seeks to minimize or remediate harm to the environment by recycling, reusing, or regenerating products or materials, as a means of reducing waste and more sustainably or efficiently continuing production; cf. linear economy n."

10. Ms Bootle states that whilst the economic principles which underpin the concept of circularity have been around for decades, it is the opponent's work in this field which has put the circular economy framework into "mainstream political and business circles". The opponent exhibits three of its own economic publications dated 2013 entitled "Towards the Circular Economy"[2] and also provides a "butterfly" diagram to illustrate the circular economy model, viz

[1] Exhibit JB5, page 25
[2] Exhibit JB3



11. In addition Ms Bootle exhibits images of additional research publications using the term **circular economy** which it has published in subsequent years.[3] Ms Bootle also exhibits reference material from the following sources:[4]

- A European Parliament paper dated April 2022 entitled “Circular economy: definition, importance and benefits”. This paper also references previously issued European Commission action plans and measures in March 2020, February 2021 and March 2022 relating to the circular economy. The last dated of those plans refers to “creating a strategy on sustainable textiles”.
- A Chatham House paper entitled “What is the circular economy?”. The document is undated, but it makes reference to a 2021 Circularity Gap report. I assume, from that reference, the Chatham House report is dated after that point. I also note that this report has a specific section on “Clothes and textiles circular economy”.

[3] Exhibit JB4
[4] Exhibits JB5 & 6

- An undated article from Zero Waste Scotland also entitled “What is the circular economy?”.
- An undated article from WRAP (Waste and Resources Action Programme). There is a section under the sub-heading “what does circularity look like in practice?” which relates to fashion and textiles.
- An article dated November 2019 from the University of Oxford Saïd Business School also entitled “What is the circular economy?”, which is itself taken from an original report entitled “The Circular Economy: Boundaries and Bridges”.
- An article from EcoWatch dated December 2020 which quotes with permission information given by the World Economic Forum on the different approaches multi-national companies, such as IKEA and Adidas, have taken to engage with the circular economy in relation to their particular products.
- A press release and a related UK Government policy paper (which includes all devolved administrations in the UK) dated July 2020 entitled “Circular Economy Packages policy statement”.

12. Ms Bootle also exhibits screenshots of its website taken from its own researched case studies and resource material entitled “Fashion and the circular economy”.[5] In addition Ms Bootle exhibits a report dated 2021 published by the opponent specifically highlighting issues in the textile economy entitled “A New textiles Economy: Redesigning Fashion’s Future”.[6]

13. Finally Ms Bootle exhibits a screenshot from the applicant’s own website dated 2022 in which the applicant states:

> “At BFT we are convinced that the original circular economy model of Reduce, Reuse, Recycle (the 3R model) has to evolve. A new circular economy model is required, one that will coexist with the original Recycle model but with a new urgent focus on Replacing plastic and Repairing the planet. At BFT we call this Circular Economy 2.0, a new 2R paradigm”.

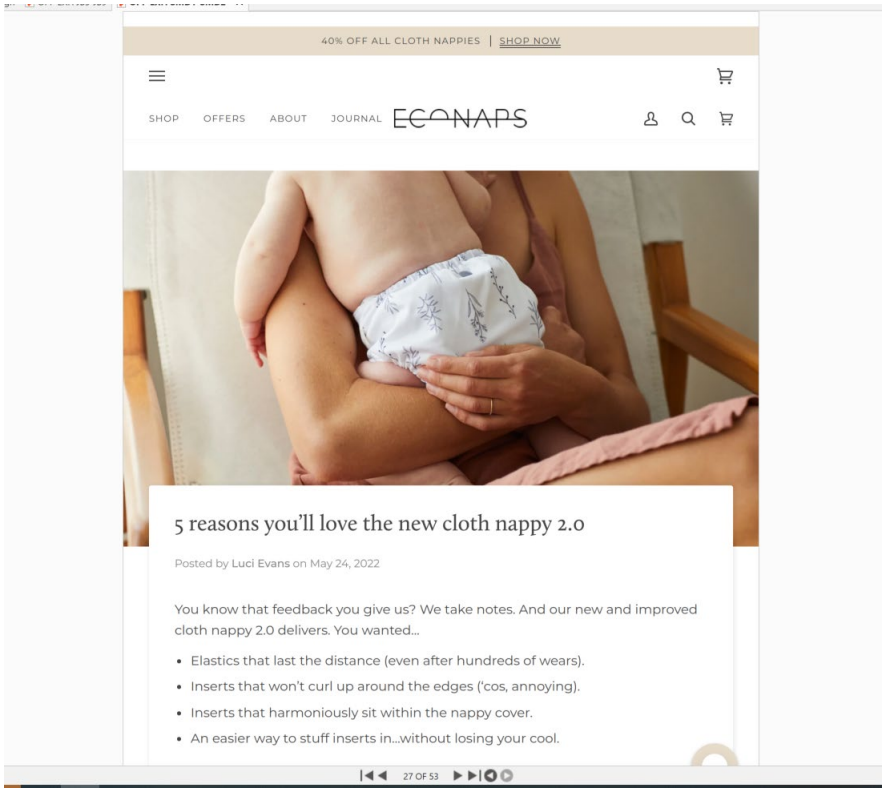
[5] Exhibit JB7
[6] Exhibit JB8

14. Turning now to Mr McDonagh's evidence which is focussed solely on the term "2.0". Mr McDonagh provides the following two dictionary definitions for the term 2.0:[7]

- Merriam-Webster Dictionary: *used postpositively to describe a new and improved version or example of something or someone.*
- Oxford Dictionary: *used to denote a superior or more advanced version of an original concept, product, service etc*

15. Mr McDonagh also exhibits a number of goods and services which he states use the term 2.0 in a descriptive way to promote a new or improved product or service from a previous version.[8] Many of these examples are undated but do refer to prices in pounds sterling indicating they are aimed at the UK consumer. Where the image is dated, I include illustrative examples below:

[7] Exhibit SMD1
[8] Exhibit SMD2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OFFERS
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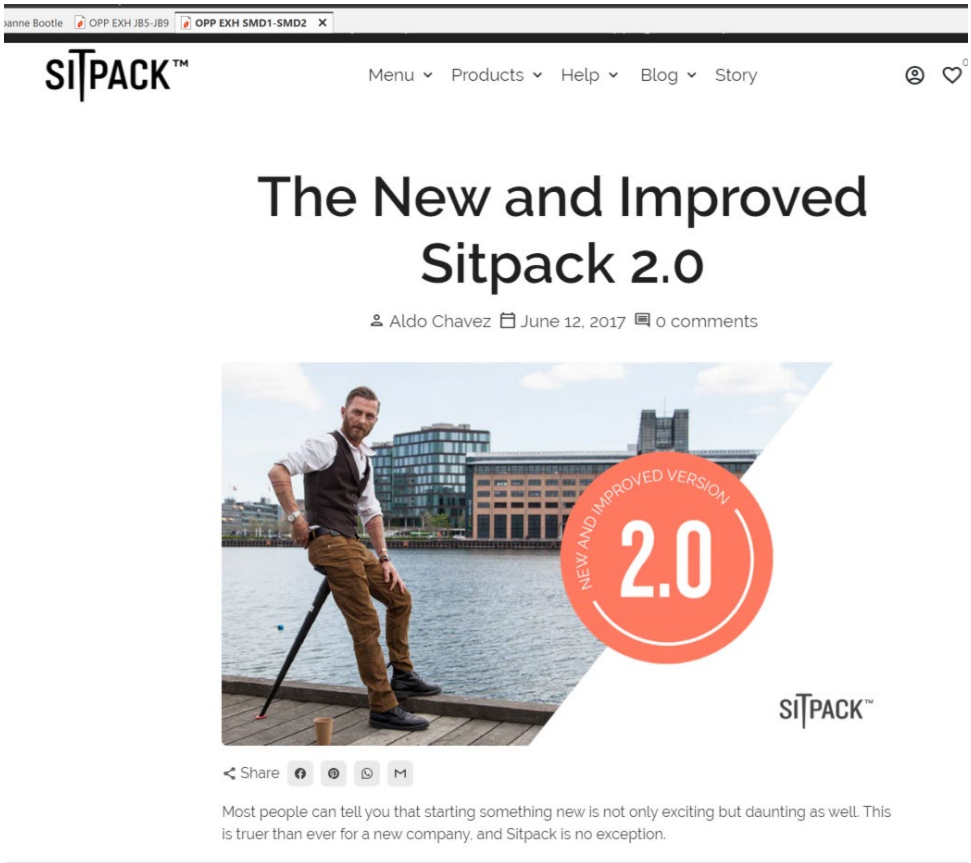
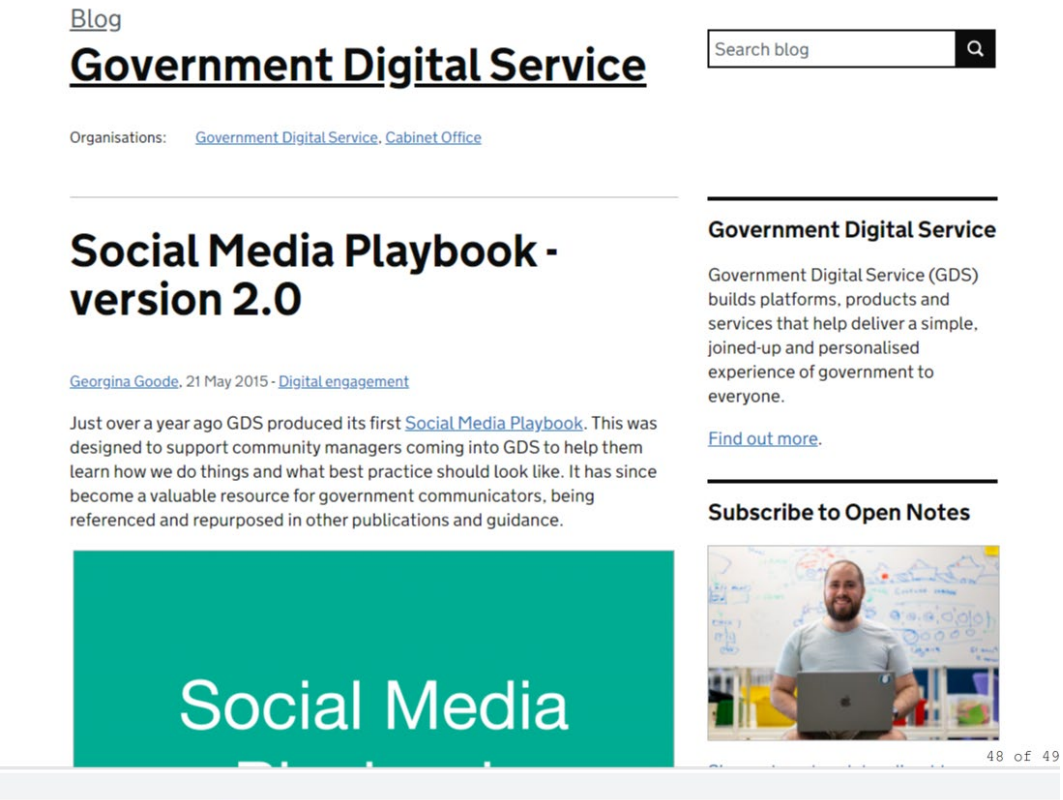
JOURNAL
ECONAPS
5 reasons you'll love the new cloth nappy 2.0
Posted by Luci Evans on May 24, 2022
You know that feedback you give us? We take notes. And our new and improved cloth nappy 2.0 delivers. You wanted...
• Elastics that last the distance (even after hundreds of wears).
• Inserts that won't curl up around the edges ('cos, annoying).
• Inserts that harmoniously sit within the nappy cover.
• An easier way to stuff inserts in...without losing your cool.
27 OF 53


OPP EXH JB5-JB9
OPP EXH SMD1-SMD2
SITPACK™
Menu
Products
Help
Blog
Story
The New and Improved Sitpack 2.0
Aldo Chavez
June 12, 2017
0 comments
NEW AND IMPROVED VERSION
2.0
SITPACK™
Share
Most people can tell you that starting something new is not only exciting but daunting as well. This is truer than ever for a new company, and Sitpack is no exception.



Applicant's evidence

17. The applicant filed a witness statement and three exhibits in the name of Stephanie Davies, a Trade Mark Attorney at Withers & Rogers LLP, who are the applicant's legal representatives. Ms Davies's exhibits comprise a copy of the examination report for the contested mark dated 16 November 2021 which raised a section 3(1)(b) objection, the written response from the applicant via Withers & Rogers dated 7 March 2022 arguing that there was no connection between the mark and the goods and services and the official reply from IPO dated 11 March 2022 waiving the objection and allowing the contested mark to proceed to publication. Ms Davies's witness statement also highlights the existence of two earlier registrations contained in the examination report, both in the opponent's name, for the same mark namely THE CIRCULAR ECONOMY 100.

Opponent's evidence in reply

18. The opponent filed a further witness statement and exhibit in the name of Joanne Bootle. The second witness statement addresses the use of the circular economy principles in the textile sector with its exhibit containing a mixture of reports, articles

and policies from a number of sources, namely think tanks, governmental bodies and other environmental organisations. In addition Ms Bootle addresses the applicant's point about the two earlier registrations stating that these two rights have never been enforced against any third party and the decision has been made by the opponent to allow these registrations to expire at their ten year renewal point in 2024.

19. That concludes my summary of the evidence.

Decision

20. Section 3(1) of the Act provides as follows:

> "3.— Absolute grounds for refusal of registration
>
> (1) The following shall not be registered—
>
> (a) signs which do not satisfy the requirements of section 1(1).
>
> (b) trade marks which are devoid of any distinctive character.
>
> (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
>
> (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade:
>
> Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.".

21. The relevant date for determining whether the contested mark is objectionable under the above provisions is its filing date, namely 5 November 2021.

22. The position under the present grounds must be assessed from the perspective of the average consumer, who is deemed to be reasonably observant and circumspect.[9] While the applicant has made no submissions in respect of the identity or level of attention of the average consumer, the opponent contends in its written submissions[10] that the goods and services of the contested mark are

> "… targeted towards both an average consumer displaying a "normal" degree of attention and a more sophisticated / professional public with a heightened degree of attention."

23. I agree that there are two groups of relevant consumers, namely general and specialist, to be considered in this matter. I find that the general public would be the most likely consumers of *Non-woven textile wipes for cleaning; non-woven baby wipes; non-woven cosmetic wipes* in class 21 and *Clothing formed from non-woven fabric* in class 25 as these goods appear to be finished articles. The general public may to a lesser extent also be consumers of *Yarns and threads formed from bast fibers for textile use* in class 23 and *Non-woven textile fabrics; textiles and fabrics formed from bast fibers* in class 24. Specialist consumers such as manufacturers are also likely to be consumers of the goods in class 23 and 24 and are very much the average consumers of *Refined naturally-derived bast fibers for use in nonwoven materials for conversion into a variety of industrial and consumer goods; raw textile fibers* in class 22 and *Production and processing of bast fibres on behalf of third parties; manufacturing and engineering services for others in the field of bast fibres and non-woven fabrics and textiles; provision of bast fibers to non-woven converters* in class 40*,* as these goods and services are focussed on manufacturing/industrial uses. Moreover, I agree with the opponent that the general public will likely be paying a medium degree of attention during purchasing whereas it will be higher for the specialist consumers.

24. I bear in mind that the present grounds are independent and have differing general interests. It is possible, for example, for a mark not to fall foul of section

[9] *Matratzen Concord AG v Hukla Germany SA,* Case C-421/04
[10] Paragraphs12 &13

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]. On this point, I note that the opponent's claim under section 3(1)(b) in its notice of opposition is made on the basis that if the contested mark is found to be descriptive, then:

> "it is also devoid of any distinctive character with regards to those same goods and services for the purpose of section 3(1)(b)."

25. I shall therefore begin by considering the section 3(1)(c) ground first, then returning to section 3(1)(b).

3(1)(c)

26. 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. (as he then was) 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 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]."

27. More recently, Zacaroli J. summarised the key question in *Puma SE v Nike Innovate C.V.*[11] in which he said at paragraph 21,

[11] [2021] EWHC 1438 (Ch)

> "Ultimately, as Ms Himsworth QC submitted, the question is whether the mark applied for, when notionally and fairly used, is descriptive of the goods and services in question within the meaning of section 3(1)(c). A sign can be refused registration '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 [the characteristics in section 3(1)(c)]': *Technopol* (above), at [50]. Moreover, a sign will be descriptive 'if there is a sufficiently direct and specific relationship between the sign and the goods and services in question to enable the public concerned immediately to perceive, without further thought, a description of one of the characteristics of the goods and services in question': Case T-234/06 *Giampetro Torresan* (above) at [25]".

28. The opponent provided separate evidence on the terms **Circular Economy** and **2.0** but in its written submissions[12] contended that the combined meaning of the terms as a whole is such that,

> "the relevant consumer will understand the contested mark as conveying a meaningful expression, namely, a new and improved version of the circular economy (i.e. a new and improved industrial and economic system that is restorative or regenerative by intention and design).
>
> In this case, there is no doubt that the relevant public would, when confronted with the Contested Mark, immediately identify and make a meaningful connection between the mark and the Applicant's Goods and Services, namely, that the goods and services are produced/rendered according to a superior or second generation set of circular economy principles. The relevant consumer is likely to perceive the Contested Mark as a descriptive indication that the Applicant's fabric and textile products, and its approach to the processing, manufacturing and engineering, are more sustainable, less wasteful, and ensure longer product lifecycles i.e. the goods and services are more "circular" than others. The Contested Mark communicates this

[12] Paragraphs 19 & 21

message without any ambiguity and no cognitive effort is required of the average consumer."

29. While it is not wholly clear which characteristic the opponent claims the contested mark is descriptive for, it is my view that these submissions give rise to an argument that it is descriptive of "other characteristics" of the goods and services for which it seeks registration. It is my view that the "other characteristics" can be categorised as the method of production for the goods and services, namely being produced according to certain principles of recycling and reuse as per the circular economic model. On this point, I accept that if the contested mark is found to be directly descriptive of these characteristics for each of the goods and services at issue for the relevant consumer, it will fall foul of section 3(1)(c) of the Act.

30. With regard to the mark at issue, the opponent provided evidence firstly that the term **Circular Economy** is used as a way of describing a process for the reuse and recycling of materials which has application in manufacturing sectors including textiles and secondly that the term 2.0 was used as a descriptor for an improved version of an original and has application for a range of goods and services. In bringing these two elements together I find that the whole equals the sum of its parts, namely that the two elements combine to mean an improved version of the circular economy model as it appears from the evidence that 2.0 can be added as a suffix element to any number of goods and services and its role augments the meaning of the element which precedes it.

31. Having found that the contested mark is descriptive of an improved process model for reuse and recycling and was in use prior to the relevant date, I next need to assess whether this descriptiveness will be recognised by the relevant consumer in respect of the goods and services for which registration is sought as per *Puma*. Having considered the evidence, it is my view that the use of the term **Circular Economy** appears to be an economic term used in academic reports, policy papers and governmental publications which are not generally the sort of material which the general public would be aware of but is more likely to be known to specialists such as manufacturers. The butterfly diagram provided in the opponent's evidence showed a designed process flow of recovery, restoration and reuse of materials with the end

consumers forming only one part of the process. Whilst I agree with the thrust of the opponent's evidence that there is a growing awareness of environmental concerns in the area of textiles and clothing more widely, I think that the general public would be aware of terms like "recycle" and "reuse" pertaining to textiles but are less likely to be as familiar with the term **Circular Economy 2.0** as it is a description of a process model rather than a description of goods which emanate from it, which in my view is a step further away. As such I find that the general public may not perceive a "direct and specific relationship between the sign and the goods". I find the position will be somewhat different for specialist consumers as they will likely have a greater awareness of manufacturing processes and the term **Circular Economy 2.0**. Therefore I find the opposition raised on the grounds of section 3(1)(c) in relation to the goods in classes 22, 23 and 24 succeeds for these specialist consumers.

32. Turning now to the services in class 40 namely *Production and processing of bast fibres on behalf of third parties; manufacturing and engineering services for others in the field of bast fibres and non-woven fabrics and textiles; provision of bast fibers to non-woven converters*, I find this sits squarely within the realm of a process flow of recovery, restoration and reuse of materials. As such the contested mark is descriptive of the method of production of the applied for service and the opposition succeeds under section 3(1)(c).

3(1)(b)

33. 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 Court of Justice of the European Union 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)."

34. Trade marks which are excluded from registration because they describe a particular characteristic of the goods and services also lack the distinctive character

required to avoid objection under section 3(1)(b) as they do not serve to identify the goods and services applied for as originating from a particular undertaking and cannot distinguish that product from those of other undertakings. Therefore, I find that the applied for mark is also objectionable under section 3(1)(b) for those goods and services I identified above, namely classes 22, 23, 24 and 40.

35. I will next consider the section 3(1)(b) grounds for the surviving goods namely *Non-woven textile wipes for cleaning; non-woven baby wipes; non-woven cosmetic wipes* in Class 21 and *clothing formed from non-woven fabric* in class 25. I remind myself of the opponent's submissions under section 3(1)(b) that,

> "the sign is nothing more than a promotional statement, informing the relevant consumer that the services being purveyed adhere to circular practices and the goods are circular products. There is consumer demand for circular economy products and services. In that regard, the sign first and foremost conveys a positive image of the goods and services".

36. I do not find anything within the opponent's evidence that the general public consumers have been exposed to knowledge of the term **Circular Economy** or **Circular Economy 2.0** from what would be regarded as usual sources for the general public such as retailers or mainstream media. The exhibits provided at JB(A) and JB1-9 are derived from academic, governmental and environmental organisational sources and do not appear to be directed at the general public. As such I cannot agree that the sign will convey a 'positive image' of the goods as set out by the opponent. I find that the case under section 3(1)(b) has not been made out.

Conclusion

37. The opposition has partially succeeded. Subject to any appeal against this decision, the contested mark will be refused for classes 22, 23, 24 and 40 and can proceed to registration for classes 21 and 25.

Costs

38. As the opponent has been largely successful, it is entitled to a contribution to its costs. Awards of costs are ordinarily governed by Annex A of Tribunal Practice Notice (TPN) 2/2016. Bearing in mind the guidance given in TPN 2/2016, and factoring on the partial nature of its success I award costs to the opponent as follows:

£200 Official fees
£400 Preparing Notice of Opposition and considering counterstatement
£500 Preparing evidence and consideration of applicant's evidence
£300 Preparation of written submissions
£1400 Total

39. I order Bast Fibre Technologies Inc to pay Ellen Macarthur Foundation the sum of £1400. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 4th day of October 2023

June Ralph
For the Registrar
The Comptroller-General