

O-119-10

**TRADE MARKS ACT 1994**

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO 792497  
IN THE NAME OF IC COMPANYS A/S  
OF THE TRADE MARK**

**COMPANYS**

**IN CLASSES 03, 18, 25 AND 35**

**AND**

**THE APPLICATION FOR A DECLARATION OF INVALIDITY THERETO  
UNDER NO 16124  
BY  
CBR TEXTILE GmbH**

## Trade Marks Act 1994

**In the matter of International Registration No 792497  
in the name of IC Companys A/S  
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### **Companys**

**in classes 03, 18, 25 and 35  
and the application for a declaration of invalidity thereto  
under no 16124 by CBR Textile GmbH**

### **Background**

1. On 20 June 2003, IC Companys A/S, which I will refer to as IC, of Copenhagen in Denmark, requested protection of the above international registration (the 'IR') in the United Kingdom. The UK Trade Marks Registry considered that the request satisfied the requirements for protection in accordance with article 3 of the Trade Marks (International Registration) Order 1996<sup>1</sup> (as amended) and particulars of the IR were published in accordance with article 10 in the Trade Marks Journal of 23 April 2004 with the following specifications:

*Bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices.*

*Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.*

*Clothing, footwear, headgear.*

*Advertising; office functions; the bringing together, for the benefit of others of a variety of goods namely articles of clothing, leather goods and perfumery, enabling customers to conveniently view and purchase those goods in a retail store, from a general merchandise internet website or in a whole sale outlet.*

The above goods and services are in classes 3, 18, 25 and 35 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2. No opposition was received to the granting of protection of the IR; consequently, as per article 12(1A) of the 1996 Order, the IR was protected in the UK with effect from 24 July 2004, the day after the expiry of the opposition period.

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<sup>1</sup> This was in force at the time; it has since been revoked and replaced with Trade Marks (International Registration) Order 2008, S.I. 2206.

3. On 30 October 2008, CBR Textile GmbH, which I will refer to as CBR, filed an application to invalidate the granting of protection of the IR, relying upon section 47(1) of the Trade Marks Act 1994 (the Act). Section 47(1) states:

“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).

Where the trade mark was registered in breach of subsection 1(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.”

CBR claims that the IR offends sections 3(1)(b), (c) and (d) of the Act. These state:

“3.— (1) The following shall not be registered –

.....

- (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.”

4. The grounds for invalidity are, in summary:

- Section 3(1)(b): COMPANYS cannot perform the essential function of a trade mark as per the judgement of the General Court (GC, formerly the Court of First Instance of the European Communities) in case T-19/99, “COMPANYLINE”, upheld on appeal to the Court of Justice (CJ), formerly the European Court of Justice) in case C-104/00, which stated that “The word ‘company’ suggests that what is in point are goods or services intended for companies or firms”. The sign COMPANY is incapable of distinguishing the goods and services of one undertaking from those of a separate undertaking. The addition of the ‘S’ does not render the sign sufficiently distinctive to qualify as a trade mark. COMPANYS is no more distinctive than COMPANY.

- Section 3(1)(c): COMPANYS simply indicates that the goods and services offered are provided by companies, i.e. businesses, firms or corporations. COMPANYS should be kept available for use by any other member of the public and no one party should be granted a monopoly in the term. It is immaterial that ‘company’ has more than one meaning, as per the ECJ’s DOUBLEMINT judgment, case C-191/01.
- Section 3(1)(d): Despite the misspelling, COMPANYS is likely to be seen as a generic, usual or commonly-used name for all the goods and services. In the COMPANYLINE case, paragraph 26 of T-19/99, ‘company’ was deemed generic.

5. IC filed a counterstatement, denying all grounds, seeking refusal of the application for a declaration of invalidity and an award of costs in its favour. Both sides filed evidence and written submissions and both parties were given the opportunity to be heard, but neither requested a hearing. I will refer to the written submissions, together with the submissions made in CBR’s statement of case and in IC’s counterstatement, as appropriate.

## **Summary of evidence**

### **6. CBR’s evidence**

*First witness statement of Ian Wall – 9 July 2009*

Mr Wall is a trainee trade mark attorney with Grant Spencer Caisley & Porteous LLP, CBR’s trade mark attorneys in these proceedings. Mr Wall’s witness statement serves to introduce nine exhibits (IW1-9) which comprise definitions of ‘company’ from online dictionaries, a hard copy dictionary extract (dated in Mr Wall’s second witness statement as published in 1998) and ‘Wikipedia’, retrieved in April and July 2009; the search results for ‘company’ in the London area on yell.com in July 2009, 500 printed results from a July 2009 search of the UK trade marks register for the terms ‘company’, ‘companies’ and ‘companys’, and selected results from Google searches for ‘company’, ‘companies’ and ‘companys’ in April 2009, some of which were from the entire web and some from the UK only.

### **IC’s evidence**

*Witness statement of Rowena Powell – 9 September 2009*

Ms Powell is a senior associate in the firm Gill Jennings & Every LLP, IC’s trade mark attorneys in these proceedings. Ms Powell’s witness statement serves to introduce a single exhibit (RGP1) which is a one-page document from the Patent Office of Ireland, dated 10 June 2009, rejecting the invalidity proceedings brought by CBR against the Irish designation of the IR the subject of these proceedings. It is not a statement of reasons; however, a full statement of reasons for the decision, dated 11 January 2010, was attached to Ms Powell’s written submissions of 20 January 2010

## CBR's further evidence

### *Second witness statement of Ian Wall – 9 November 2009*

Mr Wall's second witness statement introduces a further six exhibits. These include further extracts from hard copy dictionaries; , an extract from an online etymological dictionary which states that the first recorded use of the word 'company' in the sense of a business association was in 1553; a Wikipedia entry for 'apostrophe', a Daily Telegraph article concerning the misuse of apostrophes; the UK Trade Mark Registry's examination practice in relation to misspellings, and decisions and translations regarding invalidation actions between the parties in respect of COMPANYS in Croatia, Hungary and Norway.

I will refer to the details of these exhibits as necessary, rather than give a full account of them here.

## **DECISION**

7. The application for a declaration for invalidity was filed on 30 October 2008; consequently the Trade Marks (International Registration) Order 2008 applies, specifically article 8 and schedule 5(4)(b)<sup>2</sup>. The Order provides for an application to be made to invalidate an IR in the UK under section 47 of the Act.

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<sup>2</sup> "8.—(1) The instruments set out in Schedule 7 are revoked ("the previous Orders").

(2) Where immediately before this Order comes into force any time period prescribed by the previous Orders has effect in relation to any act or proceeding and has not expired, the time or period prescribed by the previous Orders and not by this Order shall apply to that act or proceeding.

(3) Except as provided by paragraph (4), where a new step is to be taken on or after 1st October 2008 in relation to any proceedings commenced under the previous Orders this Order shall apply to such proceedings from that date.

(4) Subject to paragraph (5), where prior to the entry into force of this Order:

(a) A Form TM8 and counter-statement have been filed in

(i) opposition proceedings; or

(ii) proceedings for the revocation of a trade mark on the grounds set out in section 46(1)(c) or (d); or

(iii) invalidation proceedings; or

(b) an application for revocation of a trade mark on the grounds set out in section 46(1)(a) or (b) has been filed,

the previous Orders shall apply with regard to the filing of any evidence in relation to those proceedings.

(5) Where proceedings as described in paragraph (4) are consolidated with proceedings commenced on or after 1st October 2008 this Order shall apply with regard to the filing of any evidence in relation to those consolidated proceedings."

Schedule 5: 4. Where the protection of a protected international trade mark (UK) is revoked or declared invalid to any extent, the registrar shall notify the International Bureau, and—

## Material date

8. IC has not filed any use of its trade mark so I do not need to consider the position with regard to the proviso to section 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).

Where the trade mark was registered in breach of subsection 1(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.”

Consequently, the matter must be judged as of the date IC requested protection in the UK of its IR: 20 June 2003. Section 72 of the Act states:

“In all legal proceedings relating to a registered trade mark (including proceedings for rectification of the register) the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it.”

The onus is on the CBR to show that, as of 20 June 2003, protection in the UK of IR 792497 was wrongly conferred.

## 9. Post-dated evidence

IC has complained that CBR’s evidence, including the dictionary references and Google searches, was all obtained after the relevant date. The CJ in *Alcon Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-192/03 P* held that use after the date of the application could be used to draw conclusions as to the position at the date of application<sup>3</sup>. This principle has to be based upon the facts and circumstances of the specific case. The meaning of ‘company’ in the sense of a business association is not in dispute<sup>4</sup> between the parties (it seems the first use of the term may have been as long ago as 1553); it

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(a) in the case of a revocation, the rights of the proprietor shall be deemed to have ceased to exist to that extent as from—

(i) the date of the application for revocation, or

(ii) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date;

(b) in the case of a declaration of invalidity, the trade mark shall to that extent be deemed never to have been a protected international trade mark (UK).

<sup>3</sup> “41. Moreover, the Court of First Instance could without inconsistency in its reasoning or error of law take account of material which, although subsequent to the date of filing the application, enabled the drawing of conclusions on the situation as it was on that date (see, by analogy, the order in Case C-259/02 La Mer Technology [2004] E.C.R. I-0000 , [31]).”

<sup>4</sup> IC’s written submissions 9 September 2009.

would be captious in the extreme to shut out evidence of the meaning of company and companies, and the fact that there are names of enterprises and trade marks including these words, on the basis that the material was obtained after 20 June 2003. The meaning in the UK has not changed for centuries. I will refer later to the relevance of the searches for ‘companys’.

### Definitions, apostrophes and misspellings

10. CBR has filed several dictionary definitions of company, the meaning of which is not in dispute. For example, the 1998 edition of the New Oxford Dictionary of English gives the following:

**“company ► noun** (pl. **–ies**) **1** a commercial business: *a shipping company* / [in names] *the Ford Motor Company* / [as modifier] *a company director*.

**2** [mass noun] the fact or condition of being with another or others, especially in a way that provides friendship and enjoyment: *I could do with some company*.

....

**3** a number of individuals gathered together, especially for a particular purpose: *the Mayor addressed the assembled company*.

....

**company car ► noun** a car provided by a firm for the business and private use of an employee.”

11. Given the detail of the first definition of company as a commercial business, CBR’s searches for the word revealed thousands of instances of use on the internet and hundreds of entries on the UK trade mark register which include the word company. The register results include those which have been refused, but there are plenty that are registered, such as the word-only VICTORIA WINE COMPANY, THE ORGANIC BAG COMPANY, THE BEDROOM COMPANY and LOCKER ACTIVE CLOTHING COMPANY marks. CBR states that within the first 500 results, there were no trade mark applications or registrations for ‘company’, ‘companies’ or ‘companys’ alone, except for the IC’s registration and its Community mark. IC’s reply to this is that this evidence shows nothing more than that many business enterprises have applied to register or have registered their companies’ names as UK trade marks; the fact that there are no other ‘companys’ marks is irrelevant to these proceedings. CBR also claims that “the non distinctiveness of the sign COMPANY (and we submit therefore COMPANYS) can be supported by the refusal of trade mark applications to register the mark, either on its own, or in combination with other non-distinctive words”. However, refusal of COMPANY does not inform the debate with regard to COMPANYS which is a different mark since additional matter may alter the significance of COMPANY solus. The absence of a term as a trade mark registration far from indicates that it is absent because it is unregistrable. The 100 pages which comprise this part of the evidence are unpersuasive. There are also about 100 pages of entries from telephone directories and the internet. The telephone directory evidence from yell.com shows a list of entries which include ‘company’, such as The Car Hire Company, The London Boiler Company and TKS

Building Company. All this shows is that business enterprises choose to list themselves with reference to the word company in their title alongside other words, which could be conventional trade marks or which simply state the nature of the business. The same is true of the Google results, which includes a print entitled 'UK Railway Companies'.

12. Of more possible relevance is the Google search for 'companys', restricted to UK results (IW9). Ten results are printed, but not all expanded. The search term was 'companys': Google stated it had found 5,840,000 results for companys, but then asks the searcher "Did you mean: *companies*", with the first result being "Companies House". The other results are:

- BBC News England Train company's £8m train upgrade
- Company Formation Packages at The Company Warehouse from £18.95
- The Skinners' Company's School For Girls
- EMC VP breaks company's own embargo The Register
- Filing yearly accounts and the company's annual return with...
- Roy Greenslade: Express online ad sales company's tough task...
- The Old flying Machine Company
- Estadi Olímpic Lluís Companys Tickets – Buy and Sell Estadi Olímpic...
- Moneysupermarket.com – Loan companys that do not require a guarantor

It can be seen from the last two of this list that 'companys' appears in the result. The penultimate result has not been expanded, but appears to be foreign and the website is [getmein.com/venues/estadi-olimpic-lluís-companys.html](http://getmein.com/venues/estadi-olimpic-lluís-companys.html) (IC says that this venue is a stadium in Barcelona, Spain). This is not relevant to the perception of the UK consumer. The final result is expanded within exhibit IW8. It is the start of a thread on a message board on [moneysupermarket.com](http://moneysupermarket.com) which the person who has posted the message, or query, has called 'Loan companys that do not require a guarantor'. This was on 20 March 2009 and the message says:

"Hi,I don't know im putting this in the right section,could anyone help me with the name of any loan companies that i could get a loan from,my credit rating is poor to fair,although I never miss a payment on any of my accounts nor do I pay late,I think it is because my accounts are fairly new(approx 1 year)and I have 2 searches in the last 6 months,I have no ccj's, I am desperate,but I don't want keep applying to many different companies and getting more searches on my credit file,I have been offered a loan by FLM but they want a guarantor and I cant find one,any ideas anyone??

regards

a desperate treefrog"

There are two instances of 'companies' spelt correctly in the message and several spelling and syntactical errors, all of which suggest to me that 'companys' in the message title is a misspelling which was a mistake. Misspellings and wrongly deployed apostrophes are a further strand of CBR's argument that COMPANYS is generic, descriptive and/or devoid of any distinctive character.

13. In its statement of case and its written submissions CBR states:

“It is well established that the addition of ‘S’ to a word in the English language can indicate possession or simply pluralises that word. In relation to possession, the word would normally include an apostrophe, “COMPANY’S”. However, it is fairly common for apostrophe’s to be missed so that the word “company” with an additional “s” would not be unfamiliar to any member of the public. The plural of the word “company” is of course correctly spelt “companies”; but the majority of the public will either recognize the spelling as just that, correct the misspelling in their own mind or, possibly, not notice the misspelling because the dominant part of the sign is COMPANY.”

“The confusion surrounding the correct usage of apostrophes is compounded in this case by the public’s lack of knowledge and uncertainty over how to pluralise words ending in “Y”.

IC denies that COMPANYS is a common misspelling of ‘company’s’ or ‘companies’, but that even if it were, ‘company’s’ or ‘companies’ would still be acceptable for registration for the goods and services for which it is in fact registered.

14. Exhibit IW13 contains several documents relating to correct and incorrect use of apostrophes. The Wikipedia entry contains several pages of rules and examples as to the correct use of apostrophes, either to indicate omission (as in “it is/it’s”) or possession (as in the “court’s decisions”, if a singular court or the “courts’ decisions”, if more than one court). There is a section devoted to misuse of apostrophes, which are colloquially referred to as ‘greengrocers’ apostrophes’. It says:

“Incorrect use of the apostrophe is widespread, and the abuse of the punctuation mark generates heated debate. The British founder of The Apostrophe Protection Society earned a 2001 Ig Nobel prize for “efforts to protect, promote and defend the differences between plural and possessive...

Apostrophes used incorrectly to form plurals are known as *greengrocers’ apostrophes*, (or *grocers’ apostrophes* or sometimes humorously *greengrocers apostrophe’s*). The practice comes from the identical sound of the plural and possessive forms of most English nouns. It is often considered a form of hypercorrection coming from a widespread ignorance of the proper use of the apostrophe or of punctuation in general....

It is believed that the term was coined in the middle of the 20<sup>th</sup> century by a teacher of languages working in Liverpool, at a time when such mistakes were common in the handwritten signs and advertisements of greengrocers (e.g., *Apple’s 1/- a pound*, *Orange’s 1/6d a pound*). Some have argued that its use in mass communication by employees of well-known companies has led to the less grammatically able assuming it to be correct and adopting the habit themselves.

....

The same error is sometimes made by non-native speakers of English. For example, in Dutch, the apostrophe is correctly inserted before the *s* when

pluralising words ending in a, e, l, o, u, or y, for example *baby's* (English *babies*) and *jury's* (English *juries*). This often produces so-called “Dunlish” errors when carried over into English.

....

While the greengrocers' apostrophe is more likely to be found in small retail businesses, the UK's biggest supermarket chain, Tesco, omits the marks where some guides require one. Its in-store signage advertises (among other items) *mens magazines, girls toys, kids books and womens shoes.*”

The exhibit includes an article from The Daily Telegraph newspaper of 10 November 2008 which reports that half of 2,000 UK adults surveyed were unable to use the apostrophe correctly. Of the errors which are most annoying, according to the article, ranked in second place was using an apostrophe to signal a plural, such as 'boy's' instead of the correct 'boys'. IC have raised an objection to the exhibit in that there is no disclosure as to how the survey was undertaken. That is so; however, it is within my day-to-day experience that apostrophes are sometimes wrongly used.

15. My observation from this evidence is that apostrophes are more often inserted when they are not needed than left out when they are, with the exception of the Tesco example. The evidence falls short of establishing that the relevant UK public on encountering COMPANYS in relation to the goods and services for which it is protected would read it as COMPANY'S. It also falls short of establishing that the relevant UK public would see COMPANYS as a variant spelling of the plural COMPANIES. The plural of company is not made simply by adding an 's' to the end; instead, the ending is formed by the removal of the 'y' and the addition of 'ies'. Both parties have referred to COMPANYS as a misspelling of COMPANIES. There is no evidence, and it is not my experience, that singular words which end in 'y' are commonly misspelt in their plural form by the UK general public, that is to say, by adding an 's' following the 'y'. There is no evidence that 'company', in particular, falls victim to regular plural abuse. 'Companys' is not an alternative spelling of 'companies' in the UK.

16. Both parties have filed decisions of trade mark registries in other European countries in parallel invalidation actions which they seek to rely on as persuasive. CBR relies upon an outcome in its favour in Croatia, Hungary and Norway (although I note the success for CBR was only partial in Norway), Germany and Latvia, dated 5 October 2008, 2 October 2009, 28 August 2009, 27 January 2010 and 19 November 2009, respectively. IC has appealed the decisions in several of these jurisdictions. IC relies upon a decision of the Irish Patent Office, dated 11 January 2010 and the parallel action against ICs Community Trade Mark, decided on 24 February 2010 in IC's favour.

17. CBR considers the decisions in its favour are particularly relevant since “even in countries where English is not the first language, COMPANYS has been held to be non-distinctive. It is submitted that in countries where English is the first language, COMPANYS is even less distinctive.” The reverse could also be the case; in non-Anglophone countries, the mutation of a singular 'y' ending to a plural 'ies' could be lost on the public, and the Wikipedia extract filed by CBR (IW13) shows the problems in assuming that non-English use of apostrophes corresponds to English

grammatical conventions. The decisions of the Irish Office and Community Trade Mark Office (OHIM) are more likely to be relevant than those of countries where English is not the first language (OHIM's decisions take account of the perception of native English speakers as CTMs are valid in the UK). However, as the parties accept, I am not bound by decisions from other jurisdictions. This is particularly so where semantic and grammatical nuances may play a part in creating differences of perception. I will therefore say no more about these decisions.

## The grounds

18. It is well established in law that the absolute grounds for refusing registration or for finding that a registration is invalid must be examined separately, although there is a degree of overlap between sections 3(1)(b), (c) and (d) of the Act. In *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* [2004] E.T.M.R. 57 ("POSTKANTOOR"), the CJ stated:

"67. As regards the first part of the question, it is clear from Article 3(1) of the Directive that each of the grounds for refusal listed in that provision is independent of the others and calls for a separate examination (see, inter alia, *Linde*, paragraph 67). That is true in particular of the grounds for refusal listed in paragraphs (b), (c) and (d) of Article 3(1), although there is a clear overlap between the scope of the respective provisions (see to that effect Case C-517/99 *Merz & Krell* [2001] ECR I-6959, paragraphs 35 and 36).

68. Furthermore, according to the Court's case-law, the various grounds for refusing registration set out in Article 3 of the Directive must be interpreted in the light of the public interest underlying each of them (see in particular Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 77, *Linde*, paragraph 71, and *Libertel*, paragraph 51).

69. It follows that the fact that a mark does not fall within one of those grounds does not mean that it cannot fall within another (see to that effect *Linde*, paragraph 68).

70. In particular, it is thus not open to the competent authority to conclude that a mark is not devoid of any distinctive character in relation to certain goods or services purely on the ground that it is not descriptive of them.

71. Second, as has been observed in paragraph 34 of this judgment, whether a mark has distinctive character for the purposes of Article 3(1)(b) of the Directive must be assessed by reference to the goods or services described in the application for registration.

72. Further, under Article 13 of the Directive 'where grounds for refusal of registration ... exist in respect of only some of the goods or services for which that trade mark has been applied for ... , refusal of registration ... shall cover those goods or services only'.

73. It follows that, where registration of a mark is sought in respect of various goods or services, the competent authority must check, in relation to

each of the goods or services claimed, that none of the grounds for refusal listed in Article 3(1) of the Directive applies to the mark and may reach different conclusions depending upon the goods or services in question.

74. Therefore, it is not open to the competent authority to conclude that a mark is not devoid of any distinctive character in relation to certain goods or services purely on the ground that it is descriptive of the characteristics of other goods or services, even where registration is sought in respect of those goods or services as a whole.

75. As regards the second part of the question, whether a mark has distinctive character must be assessed, as has been observed in paragraph 34 of this judgment, first, by reference to the goods or services in respect of which registration of the mark has been sought, and, second, by reference to the way in which it is perceived by the relevant public, which consists of average consumers of those goods or services, reasonably well informed and reasonably observant and circumspect.”

I will therefore treat the assessment of the grounds separately, even though there will be overlapping aspects. I will assess whether there is justification for the CBR’s grounds in relation to each of the goods or services, taking into account categories or groups of goods and services<sup>5</sup>.

***Section 3(1)(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***

19. In *Telefon & Buch Verlagsgesellschaft mbH v OHIM*, Case T-322/03, the GC stated:

“49 Article 7(1)(d) of Regulation No 40/94 must be interpreted as precluding registration of a trade mark only where the signs or indications of which the mark is exclusively composed have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought (see, by analogy, Case C-517/99 *Merz & Krell* [2001] ECR I-6959, paragraph 31, and Case T-237/01 *Alcon v OHIM – Dr. Robert Winzer Pharma (BSS)* [2003] ECR II-411, paragraph 37). Accordingly, whether a mark is customary can only be assessed, firstly, by reference to the goods or services in respect of which registration is sought, even though the provision in question does not explicitly refer to those goods or

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<sup>5</sup> The CJ ruled in *BVBA Management, Training en Consultancy v Benelux-Merkenbureau*, Case C-239/05 [2007] E.T.M.R. 35: “First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks must be interpreted as meaning that: when refusing registration of a trade mark, the competent authority is required to state in its decision its conclusion for each of the individual goods and services specified in the application for registration, regardless of the manner in which that application was formulated. However, where the same ground of refusal is given for a category or group of goods or services, the competent authority may use only general reasoning for all of the goods or services concerned;”

services, and, secondly, on the basis of the target public's perception of the mark (*BSS*, paragraph 37).

50 With regard to the target public, the question whether a sign is customary must be assessed by taking account of the expectations which the average consumer, who is deemed to be reasonably well informed and reasonably observant and circumspect, is presumed to have in respect of the type of goods in question (*BSS*, paragraph 38).

51 Furthermore, although there is a clear overlap between the scope of Article 7(1)(c) and Article 7(1)(d) of Regulation No 40/94, marks covered by Article 7(1)(d) are excluded from registration not on the basis that they are descriptive, but on the basis of current usage in trade sectors covering trade in the goods or services for which the marks are sought to be registered (see, by analogy, *Merz & Krell*, paragraph 35, and *BSS*, paragraph 39).

52 Finally, signs or indications constituting a trade mark which have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services covered by that mark are not capable of distinguishing the goods or services of one undertaking from those of other undertakings and do not therefore fulfil the essential function of a trade mark (see, by analogy, *Merz & Krell*, paragraph 37, and *BSS*, paragraph 40)."

20. CBR has pleaded that despite the misspelling, COMPANYS is likely to be seen as a generic, usual or commonly-used name for all the goods and services. In the COMPANYLINE case, paragraph 26 of T-19/99, 'company' was deemed generic. This paragraph reads:

"In this case, the sign is composed exclusively of the words 'company' and 'line', both of which are customary in English-speaking countries. The word 'company' suggests that what is in point are goods or services intended for companies or firms. The word 'line' has various meanings. In the insurance and financial services sector it denotes, amongst other things, a branch of insurance or a line or group of products. They are thus generic words which simply denote a line of goods or services for undertakings. Coupling them together without any graphic or semantic modification does not imbue them with any additional characteristic such as to render the sign, taken as a whole, capable of distinguishing the applicant's services from those of other undertakings. The fact that the word 'Companyline' as such does not appear in dictionaries — whether as one word or otherwise — does not in any way alter that finding."

The difference here is that there is no coupling of words: the mark is COMPANYS, solus. As can be seen from *Telefon & Buch* and *Merz & Krell*, the assessment is whether or not 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" (or registered or protected). The enquiry must be

as to the expectations of the average consumer in respect of the mark protected in relation to the goods and services for which it is protected. It is not whether the mark is descriptive of a characteristic, although that could also apply to a mark which falls foul of section 3(1)(d). It is whether those expectations mean that the mark is incapable of distinguishing the goods of one undertaking from those of others, which must be proved by evidence. There is nothing in the evidence which suggests that COMPANYS, alone, whether seen or heard, would lead the average consumer in the UK to expect anything other than that the goods and services emanate from an undertaking called COMPANYS. **The section 47(1) ground based upon section 3(1)(d) of the Act fails.**

***Section 3(1)(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***

21. In *Linde* [2003] RPC 45, the CJ stated:

74 The public interest underlying Article 3(1)(c) of the Directive implies that, subject to Article 3(3), any trade mark which consists exclusively of a sign or indication which may serve to designate the characteristics of goods or a service within the meaning of that provision must be freely available to all and not be registrable.

75 The competent authority called upon to apply Article 3(1)(c) of the Directive to such trade marks must determine, by reference to the goods or services for which registration is sought, in the light of a concrete consideration of all the relevant aspects of the application, and in particular the public interest referred to above, whether the ground for refusing registration in that provision applies to the case at hand.”

I also note *Ford Motor Co v OHIM*, case T-67/07, concerning the single word mark FUN (for land vehicles), where the GC stated:

“22 Article 7(1)(c) of Regulation No 40/94 refers to signs that are incapable of performing the essential function of a trade mark, namely that of identifying the commercial origin of the goods or services, thus enabling the consumer who acquires the goods or service covered by the mark 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 (Case T-219/00 *Ellos v OHIM (ELLOS)* [2002] ECR II-753, paragraph 28, and judgment of 22 May 2008 in Case T-254/06 *Radio Regenbogen Hörfunk in Baden v OHIM(RadioCom)*, paragraph 27).

23 The signs and indications referred to in Article 7(1)(c) of Regulation No 40/94 are those which may serve in normal usage from the point of view of the target public to designate, either directly or by reference to one of their essential characteristics, goods or services in respect of which registration is sought (Case C-383/99 P *Procter & Gamble v OHIM* [2001] ECR I-6251, paragraph 39, and *RadioCom*, paragraph 22 above, paragraph 28).

24 It follows that, for a sign to be caught by the prohibition set out in that provision, there must be a sufficiently direct and specific relationship between the sign and the goods and services in question to enable the public concerned immediately to perceive, without further thought, a description of the category of goods and services in question or one of their characteristics (Case T-19/04 *Metso Paper Automation v OHIM(PAPERLAB)* [2005] ECR II-2383, paragraph 25, and *RadioCom*, paragraph 22 above, paragraph 29).

25 A sign's descriptiveness may only be assessed, first, in relation to the goods or services concerned and, secondly, in relation to the perception of the target public, which is composed of the consumers of those goods or services (Case T-34/00 *Eurocool Logistik v OHIM (EUROCOOL)* [2002] ECR II-683, paragraph 38, and *RadioCom*, paragraph 22 above, paragraph 33).

.....

32 However, according to the case-law, to come within the scope of Article 7(1)(c) of Regulation No 40/94, a word mark must serve to designate in a specific, precise and objective manner the essential characteristics of the goods and services at issue (see, to that effect, Case T-334/03 *Deutsche Post EURO EXPRESS v OHIM(EUROPREMIUM)* [2005] ECR II-65, paragraph 41 and the case-law cited).

.....

35 Accordingly, it must be held that the link between the word 'fun', on the one hand, and land motor vehicles, on the other hand, is too vague, uncertain and subjective to confer descriptive character on that word in relation to those goods."

22. The average consumer of is deemed to be reasonably well-informed and reasonably observant and circumspect. The goods of the international registration are bought by the general public at large; the general public at large is also the relevant public for the retail services of the same goods. The goods may be selected visually at point of sale, or on-line, by brochure, or via advertisements, although oral referencing may play a part in the process, e.g. radio advertising or recommendation of the retailer. I also bear in mind, in relation to the class 3 goods that the GC found in *Avon Products v OHIM* Case T-184/07 that soaps, perfumery, essential oils, cosmetics and hair lotions are also sold by way of doorstep selling so that the oral aspect becomes important. The level of attention may vary within each category of goods according to the type of product, the frequency with which it is purchased and the price. In respect of advertising and office function services, the relevant public will be professional users who are likely to have an above average level of attention in relation to services which may be relatively costly and which are purchased in a professional or business capacity. I have to assess whether the mark identifies the commercial origin of the goods or services for these groups or whether there is instead a direct and specific relationship between the word COMPANYS and the goods and services so that these groups will only see, without further thought, a description of the category of goods and services in question or one of their characteristics.

23. The public interest underlying section 3(1)(c) of the Act is that marks which may serve to designate the characteristics of goods or a service within the meaning of that provision must be freely available to all: CBR states that COMPANYS is such a mark, regardless of the fact that the word company has more than one meaning<sup>6</sup>. CBR's position is that COMPANYS simply indicates that the goods and services are offered by companies, i.e. businesses, firms or corporations. All goods and services, at a very general commercial level, are offered by companies but it is a non sequitur that there is on account of this an obvious or specific and direct relationship between goods and services and COMPANYS or even COMPANIES so that the average consumer would see only a description and not a trade mark. This is in contrast to some of the examples CBR has exhibited where there is additional matter which informs the consumer as to the nature of the specific company (e.g. The Car Hire Company, The London Boiler Company) or that the additional matter is the trade mark (e.g. Victoria Wine Company). Additional matter entirely alters the impression. Without more, the word COMPANYY or COMPANIES is too vague and uncertain to convey a direct meaning in relation to the goods or services. Neither COMPANYS nor COMPANIES is descriptive of a quality or characteristic of the goods. I have considered whether this general reasoning which is applicable to the goods and retail services pertaining to the goods also holds for "advertising" and "office functions" but conclude that the ellipsis will strike the average consumer, even with the focus and attention of a professional choosing a business services, as an indication of origin. There is no other matter to give a descriptive context, such as in COMPANYLINE.

24. When perceived visually, which will be the more usual purchasing process, for the average UK consumer, COMPANYS will be seen as an invented word. It is not an alternative spelling of 'companies' nor one that, on the evidence, is a common or accidental misspelling. It lacks an apostrophe to make it a possessive which would lead one to enquire 'which company's what?' I have said above that even if the mark was COMPANIES, the message would not be a descriptive one. If COMPANYS was used orally, it could theoretically be perceived as COMPANY'S, COMPANIES or COMPANIES'. I note that in *POSTKANTOOR*, the CJ stated, in relation to the issue of aural perception:

"98. As a general rule, a mere combination of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, itself remains descriptive of those characteristics for the purposes of Article 3(1)(c) of the Directive. Merely bringing those elements together without introducing any unusual variations, in particular as to syntax or meaning, cannot result in anything other than a mark consisting exclusively of signs or indications which may serve, in trade, to designate characteristics of the goods or services concerned.

99. However, such a combination may not be descriptive within the meaning of Article 3(1)(c) of the Directive, provided that it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements. In the case of a word mark, which is intended to be heard as

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<sup>6</sup> As per *Wm. Wrigley Jr. Company v. OHIM*, Case C-191/01 P ("Doublemint") [2004] E.T.M.R. 9.

much as to be read, that condition must be satisfied as regards both the aural and the visual impression produced by the mark.”

Even if COMPANYS were to be perceived as COMPANY’S, COMPANIES or COMPANIES’, it requires too much conjecture to weave it into a sentence so that it becomes descriptive of a characteristic of the goods or services. **The section 47(1) ground based upon section 3(1)(c) of the Act fails.**

***Section 3(1)(b): trade marks which are devoid of any distinctive character***

25. The purpose of section 3(1)(b) is set out in the CJ’s judgment in *SAT.1 Satellitenfernsehen GMBH v OHIM*, case C–329/02 P [2005] E.T.M.R. 20:

“23 First, the essential function of a trade mark is to guarantee the identity of the origin of the marked product to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin (see, in particular, Case 102/77 *Hoffmann-La Roche* [1978] ECR 1139, paragraph 7, and Case C-299/99 *Philips* [2002] ECR I-5475, paragraph 30). Article 7(1)(b) of the regulation is thus intended to preclude registration of trade marks which are devoid of distinctive character which alone renders them capable of fulfilling that essential function.

24 Secondly, in order to determine whether a sign presents a characteristic such as to render it registrable as a trade mark, it is appropriate to take the viewpoint of the relevant public. Where the goods or services with which the registration application is concerned are intended for all consumers, the relevant public must be deemed to be composed of the average consumer, reasonably well-informed and reasonably observant and circumspect (see Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26, and Case C-104/01 *Libertel* [2003] ECR I-3793, paragraph 46).

.....

27 Furthermore, in view of the extent of the protection afforded to a trade mark by the regulation, the public interest underlying Article 7(1)(b) of the regulation is, manifestly, indissociable from the essential function of a trade mark, as observed in paragraph 23 above.”

26. CBR relies on the *COMPANYLINE* judgment in relation to its section 3(1)(b) pleading (in addition to citing it as authority for ‘company’ being a generic term in relation to its section 3(1)(d) ground). It states that the sign COMPANY is incapable of distinguishing the goods and services of one undertaking from those of a separate undertaking because ‘company’ suggests goods or services intended for companies or firms. The examples CBR exhibits of signs or marks which *include* the word ‘company’, in context. IC’s mark is not COMPANY, it is COMPANYS with no additional element. Without the contextualisation of added elements which would give it the ‘company’ meaning and, most importantly, with the addition of the ‘s’ ending, IC’s mark is an invented word in the UK.

27. The public interest role underlying section 3(1)(b) is about what the average consumer thinks, i.e. does the sign perform the essential function of a trade mark by identifying the goods and services as emanating from a single undertaking, distinguishing them from those of other undertakings. The average consumer, as I have outlined above, is the general public for what are consumer items and the retail of those items; in relation to advertising and office function services, the average consumer is a professional purchasing the services in relation to businesses. Even taking into account the above average attention of the latter type of consumer, I cannot see that COMPANYS, as a single word which departs from the usual lexical rules of the English language will be perceived as anything other than an indication of trade origin.

28. In *Avon Products*, the GC stated:

“24 It must also be observed that the goods covered by the mark applied for are sold in supermarkets, where visual communication takes precedence over oral communication, as well as in specialist shops, where the importance of those two means of communication is generally comparable, and by way of doorstep-selling, where the oral aspect is predominant. Consequently, the mark applied for will be used both in writing and orally.”

Even if it will be perceived aurally as ‘company’s, ‘companies’ or ‘companies’, its severe degree of ellipsis according to the normal usage of the words exhibited in CBR’s evidence points towards distinctive character, not away from it. Although a trade mark cannot be assessed in the abstract, i.e. it must be assessed according to the perception of the average consumer in relation to the specific goods and services, the mark itself may still present an abstract notion which has the capacity to distinguish. I consider this to be the case here. COMPANYS, an invented word in the eyes of the average consumer in the UK, has the capacity to identify the origin of the goods and services thereby enabling the average consumer to repeat the purchasing experience or to avoid repeating it. **The section 47(1) ground based upon section 3(1)(b) of the Act fails.**

### Costs

29. CBR’s application for invalidation has failed and IC is therefore entitled to an award of costs on the following basis:

Preparing a statement and considering the other side’s statement:	£400
Considering CBR’s evidence and submissions:	£800
Written submissions:	£300
<b>Total:</b>	<b>£1500</b>

30. I order CBR Textile GmbH to pay IC Companys A/S the sum of £1500. This sum 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 16 day of April 2010**

**Judi Pike  
For the Registrar,  
the Comptroller-General**