

O-255-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2314652
BY NHI SERVICES LIMITED (PREVIOUSLY WEBMONEY LTD)
TO REGISTER THE TRADE MARK HOMEPROTECT IN CLASS 36**

AND

**IN THE MATTER OF OPPOSITION No. 91617
BY EVERSHEDES**

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**IN THE MATTER OF Application No. 2314652
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by Eversheds**

Background

1. On 1 November 2002 webmoney Ltd applied to register the mark **homeprotect** for insurance services in Class 36. The application has since been assigned to NHI Services Ltd. The application is numbered 2314652.

On 15 April 2003 Eversheds filed notice of opposition to this application claiming that the application should be refused as follows:

- (i) under Section 1(1)/3(1)(a) because it is not capable of distinguishing the services of the applicants from those of other undertakings. Specifically it is said that it does not function as a trade mark in that it is not an indicator of the origin of the services specified, particularly in relation to services which protect the home;
- (ii) under Section 3(1)(b) in that the mark consists of two words conjoined to give the appearance of a single word. This word in use is such that it would not immediately be apparent that it was a trade mark and the public would not be educated to realise this;
- (iii) under Section 3(1)(c) in that the word homeprotect simply describes what the services are for – to protect the home;
- (iv) under Section 3(3)(b) in that the mark is of such a nature as to deceive the public if it was to be used in respect of services other than those in relation to the home and/or the protection thereof.

2. The applicants filed a counterstatement denying the above grounds. To the extent that the counterstatement contains submissions in relation to the issues raised I will return to it during the course of the decision.

3. Both sides ask for an award of costs in their favour.

4. Both sides filed evidence. Neither side has asked to be heard. Written submissions (in addition to those contained in the parties' evidence) have been received from Saunders &

Dolleymore on behalf of the opponents under cover of their letter of 30 July 2004. Acting on behalf of the Registrar and with this material in mind I give this decision.

Opponents' evidence

5. The opponents filed a witness statement by Janice Margaret Trebble, a registered trade mark attorney and partner in the firm of Saunders & Dolleymore. She exhibits the following:

- JMT1 - a copy of the official file for the application in suit which shows the referencing for the words "home" and "protect";
- JMT2 - copies of entries from Collins English Dictionary confirming the Registry's findings. Also included is a definition of the term insurance, which it is said show that the entries for "insurance" and "insure" make reference to "protect" and "protection. Furthermore JMT2 also shows that the word "home" is often combined with another element to form combinations such as "home brew", "home economics" and "homework";
- JMT3 - a printout of an Internet search in relation to the words "homeprotect" and "home protect";
- JMT4 - the first 'hit' resulting from the above mentioned search was the original applicants' website;
- JMT5 - extracts from the site www.lutine.com offering an insurance product under the name HOME PROTECT. An e-mail exchange with Lutine indicates that the product has been on the market since about October 2002;
- JMT6 - an extract from www.tiscali.co.uk showing that they provide an insurance policy under the name HOMEPROTECT;
- JMT7 - an extract from www.connected.org.uk relating to a HOME PROTECT PLUS policy offered by G J Sladdin & Co Ltd;
- JMT8 - an extract from the website www.hughesfsLtd.co.uk regarding a new insurance product launched in June 2003 under the name HOME PROTECT by Hughes & Company (Financial Services) Ltd.

6. Ms Trebble concludes her witness statement with what amounts to submissions in relation to the material placed before me. I will deal with these below.

Applicants' evidence

7. The applicants filed a statutory declaration by David Jonathan Haddon Walker, the Managing Director of NHI Services Ltd. Much of his declaration is in the nature of submissions. I take account of these submissions but do not propose to summarise them here. He also exhibits:

- 1 - extracts from Roget's Thesaurus showing a number of words that are said to be synonymous with insurance such as 'cover', 'guard', 'secure' and 'shield'. Mr Walker notes that these words combined with the word HOME have been considered to be registrable by the Registry;
- 2 - the results of a Registry database search showing marks beginning with the word HOME in Class 36 including instances of HOME with another descriptive or suggestive word;
- 3 - a copy of the ECJ's judgement in *Procter & Gamble Company v OHIM (BABY-DRY)*, Case C-383/99;
- 4 - a copy of the ECJ's judgement in *Merz & Krell GmbH & Co*, Case C-517/99.

8. Mr Walker offers a number of submissions in relation to the application of the principles to be derived from these cases. I also take into account the opponents' written submissions. These include reference to a number of judgments of the European Court of Justice and other reported cases. I accept that the cases referred to are relevant to the issues before me and have extrapolated guiding principles for the purposes of my decision.

The law

9. This action is brought under Section 1(1)/3(1)(a), 3(1)(b), 3(1)(c) and 3(3)(b). The relevant Sections of the Act read as follows:

“1.-(1) In this Act a "trade mark" means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.

A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.”

.....

“3.-(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)

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.”

.....

“(3) A trade mark shall not be registered if it is -

(a)

(b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”

Section 1(1)/3(1)(a)

10. *In AD 2000 Trade Mark*, [1997] RPC 168 Geoffrey Hobbs QC, sitting as the Appointed Person said:

“Section 3(1)(a) prohibits the registration of “*signs*” which do not satisfy the requirements of section 1(1) (because they are incapable of being represented graphically and/or incapable of distinguishing goods or services of one undertaking from those of other undertakings) whereas the prohibitions in sections 3(1)(b), 3(1)(c) and 3(1)(d) are applicable to “*trade marks*”, ie. signs which satisfy the requirements of section 1(1). From the proviso to section 3(1) it is apparent that sections 3(1)(b), 3(1)(c) and 3(1)(d) prohibit the registration of signs which satisfy the requirements of section 1(1), but nonetheless lack a distinctive character in the absence of appropriate use. This implies that the requirements of section 1(1) are satisfied even in cases where a sign represented graphically is only “capable” to the limited extent of being “not incapable” of distinguishing goods or services of one undertaking from those of other undertakings. Such signs are not excluded from registration by section 3(1)(a). Section 3(1)(a) has the more limited effect envisaged by article 3(1)(a) of the Directive of preventing the registration of “*signs which cannot constitute a trade mark*” at the time when they are put forward for registration. It is clear that signs which are not objectionable under section 3(1)(a) may nevertheless be objectionable under other provisions of section 3 including sections 3(1)(b), 3(1)(c) and 3(1)(d).”

11. In *Philips Electronics NV v Remington Consumer Products Ltd*, Case C-299/99, the ECJ indicated that:

“.....it is clear from the wording of Article 3(1)(a) and the structure of the Directive that that provision is intended essentially to exclude from registration signs which are not generally capable of being a trade mark and thus cannot be represented graphically and/or are not capable of distinguishing the goods or services of one undertaking from those of other undertakings.”

12. It seems to me that the opponents' case is directed at the consequence of use of the words HOME PROTECT by other traders. That in turn requires me to consider the nature of that use (whether as an indicator of origin or for descriptive purposes) but it falls well short of establishing that the words, either conjoined or in combination, are incapable of functioning as a trade mark. The applicants for their part do not deny that the words are allusive or suggestive. That gives rise to issues that need to be addressed under Section 3(1)(b) and (c). But I can see no basis for finding that the mark in issue fails the minimum threshold test under Section 1(1)/3(1)(a).

Section 3(1)(c)

13. I will deal with the objection under paragraph (c) first because it seems to me that much of the opponents' evidence is intended to establish that **homeprotect** consists of elements that serve in trade to designate certain characteristics of the services, namely insurance services relating to the home or the contents thereof.

14. As the opponents have indicated, there are now a number of judgments from the ECJ which deal with the scope of Article 3(1)(c) of First Council Directive 89/104 and Article 7(1)(c) of Council Regulation 40/94 (the Community Trade Mark Regulation), whose provisions correspond to Section 3(1)(c) of the UK Act. I derive the following main guiding principles from the cases noted below:

- subject to any claim in relation to acquired distinctive character (not relevant in this case) signs and indications which may serve in trade to designate the characteristics of goods or services are deemed incapable of fulfilling the indication of origin function of a trade mark – (*Wm Wrigley Jr & Company v OHIM* – Case 191/01P (Doublemint) paragraph 30;
- thus Articles 7(1)(c) (Section 3(1)(c)) pursues an aim which is in the public interest that descriptive signs or indications may be freely used by all – *Wm Wrigley Jr v OHIM*, paragraph 31;
- it is not necessary that such a sign be in use at the time of application in a way that is descriptive of the goods or services in question. It is sufficient that it could be used for such purposes – *Wm Wrigley Jr v OHIM*, paragraph 32;
- it is irrelevant whether there are other, more usual signs or indications designating the same characteristics of the goods or services. The word 'exclusively' in paragraph (c) is not to be interpreted as meaning that the sign or indication should be the only way of designating the characteristic(s) in question – *Koninklijke KPN Nederland NV and Benelux Merkenbureau*, Case C-363/99 (Postkantoor), paragraph 57;
- if a mark which consists of a word produced by a combination of elements is to be regarded as descriptive for the purposes of Article 3(1)(c) it is not sufficient that

each of its components may be found to be descriptive, the word itself must be found to be so – *Koninklijke KPN Nederland NV and Benelux Merkenbureau*, paragraph 96;

- merely bringing together descriptive elements without any unusual variations as to, for instance, syntax or meaning, cannot result in a mark consisting exclusively of such elements escaping objection – *Koninklijke Nederland NV and Benelux Merkenbureau*, paragraph 98;
- however such a combination may not be descriptive if it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements – *Koninklijke Nederland NV and Benelux Markenbureau*, paragraph 99.

15. Two other cases are relevant in considering the application of these principles. In *Campina Melkunie BV and Benelux-Merkenbureau* – Case C-265/00 (BIOMILD) the ECJ indicated that a mark consisting of a neologism composed of elements descriptive of characteristics of the goods was itself descriptive of those characteristics within the meaning of Article 3(1)(c), unless there was a perceptible difference between the neologism and the mere sum of its parts. In contrast, in *Procter & Gamble Company and OHIM*, Case C-383/99P (BABY-DRY) the Court held that, whilst the word combination, BABY-DRY unquestionably alluded to the function of the goods, this did not satisfy the disqualifying criteria set out in Article 7(1)(c) of the Regulation. This was because, whilst each of the two words in the combination may form part of expressions used in everyday speech their syntactically unusual juxtaposition was not a familiar expression in the English language either for designating the goods in question (babies' nappies) or for describing their essential characteristics.

16. With these guiding principles in mind I turn to the circumstances of this case. The applicants have referred me to the state of the register evidence showing that various descriptive or allusive words have been conjoined with the word HOME to form registrable trade marks. The opponents in turn seek to distinguish these existing registrations. However, past acceptance of different marks cannot in itself be determinative of the success or failure of this particular application. I propose to consider the matter in the light of the guidance set down in the ECJ cases rather than the state of the register.

17. Unsurprisingly, there appears to be little between the parties in relation to the meaning of the words 'home' and 'protect' and the fact that 'protect' and 'protection' are words used in the context of insurance. Nevertheless, I note that Mr Walker says in his declaration "it would be unrealistic to suggest that consumers would immediately think of insurance when faced with the word 'protect'". Taken in the abstract that may be so, but it is well established that words must be considered in the context of the goods or services to which they relate. On that basis it is not unreasonable to suppose that the strongly allusive nature of the word would be apparent to consumers.

18. But the mark must be taken at face value and not as if it were the words 'home protection'. In that respect the combination **homeprotect** seems to me to be a perceptibly different mode of

expression to anything that consumers would expect to meet. The reason for that lies in the fact that it represents an unusual noun/verb combination. Whilst one might talk of insuring (protecting) a home, **homeprotect** is an ungrammatical combination of words (the elements are also conjoined but I do not regard that fact as making a material contribution to the distinctive character of the mark). Consumers are, of course, not unaccustomed to meeting rather more unusual uses of language in an advertising context so the question that arises here is whether the difference between the normal mode or modes of expression and the mark applied for is sufficient to alert consumers to the fact that **homeprotect** is intended to be an indicator of origin rather than simply a somewhat quirky descriptive usage. It seems to me that ‘perceptible difference’ must in this respect mean a difference which is sufficient to strike the consumer in the former rather than the latter way.

19. In support of their claim that **homeprotect** is simply descriptive usage that may be required in the trade to convey to consumers certain characteristics of the services the opponents have filed material taken from third party websites. Most, if not all, of this material is after the relevant date or relates to insurance products launched at about the same time as the application was filed. That might have presented a difficulty had the opponents’ case been that the words had become customary in the trade at the relevant date. But no objection has been taken under paragraph (d) of Section 3(1). It is clear from the *Doublemint* case referred to above that Section 3(1)(c) prohibits the registration of signs that could be used for descriptive purposes and not simply those that are used in this way at the relevant date.

20. Dealing with the website exhibits, JMT4 is the applicants’ predecessor’s website. I note references to **homeprotect** home insurance in circumstances where **homeprotect** would in my view be taken as a brand name and home insurance as the generic descriptive term for the services.

21. Exhibit JMT5, the Lutine Assurance Services website, shows use of HomeProtect in relation to a mortgage payment protection plan to provide cover against sickness and unemployment. Initial references to HOMEPROTECT are in slightly stylised form with the letter Os representing what appear to be keyholes. I consider that the stylised mark would be taken as trade mark usage but I accept that the comparison with the plain word is inevitably an inexact one.

22. Exhibit JMT6, the tiscali website, uses HOMEPROTECT in relation to a breakdown plan for household equipment. Again I take the usage of HOMEPROTECT to be as a brand rather than descriptive usage. Thus “One Breakdown plan – Three Choices – to cover your Home HOMEPROTECT”.

23. Exhibit JMT7, the www.connected.org.uk site, offers a household insurance policy from G J Sladdin & Co Ltd. The heading is “HOME PROTECT PLUS” and underneath it “HOUSEHOLD INSURANCE ONLINE”. I take HOME PROTECT PLUS to be the brand being used in relation to the insurance in question.

24. Exhibit JMT8, the Hughes and Company (Financial Services) Ltd website, refers to the company being “pleased to announce the launch of the HOME PROTECT contract”. It goes on to describe the contents of the package.

25. I differ from the opponents in the conclusion I draw from this part of the evidence. A fair reading of this material suggests to me that the promoters of the various insurance policies have adopted HOME PROTECT (or its slight variant forms) as a brand name albeit one that alludes in a not very oblique manner to the services in question.

26. It seems to me that, applying the guidance from the ECJ cases, this is a case at the margins in terms of whether the combination of words can be said to offer more than the sum of its parts. In the final analysis I take the view that the “syntactically unusual juxtaposition” of the component elements renders **homeprotect** capable of serving as a badge of origin. The opponents’ evidence as to third party usage does not take their case further forward. At best from their point of view, there is a certain ambivalence in some of the references. But the more natural reading of the evidence is that the above-mentioned exhibits do no more than show that other traders want to use the word(s) as a brand albeit one that alludes to the underlying services. I find that **homeprotect** is not a descriptive sign that needs to be kept free for others to use. Furthermore, it creates an impression which is sufficiently far removed from that produced by the mere combination of meanings contained in the elements of which it is composed to escape objection under Section 3(1)(c).

Section 3(1)(b)

27. I approach this ground of objection on the basis of the following principles derived from the ECJ cases referred to below:

- an objection under Section 3(1)(b) operates independently of objections under Section 3(1)(c) – (*Linde AG (and others) v Deutsches Patent-und Markenamt*, Journal Cases C-53/01 to C-55/01, paragraphs 67 to 68);
- for a mark to possess a distinctive character it must identify the product (or service) in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product (or service) from the products (or services) of other undertakings (*Linde* paragraphs 40-41 and 47);
- a mark may be devoid of distinctive character in relation to goods or services for reasons other than the fact that it may be descriptive (*Koninklijke KPN Nederland v Benelux Merkenbureau*, paragraph 86);
- a trade mark’s distinctiveness is not to be considered in the abstract but rather by reference to the goods or services in respect of which registration is sought and by reference to the relevant public’s perception of that mark (*Libertel Group BV v Benelux Merkenbureau*, Case C-104/01 paragraphs 72-77);

- the relevant public must be deemed to be composed of the average consumer who is reasonably well-informed and reasonably observant and circumspect (*Libertel* paragraph 46 referring to Case C-342/97 *Lloyd Schuhfabrik Meyer*).

28. As I understand it the opponents' primary argument is that the mark in issue is descriptive in nature and that as a consequence it is also devoid of distinctive character. The consequence of my finding that the mark is not so descriptive that it is open to objection under Section 3(1)(c) strongly suggests that there is no separate objection available to the opponents under paragraph (b) of the sub-section notwithstanding that it must be considered as a stand-alone and separately sustainable ground. I have considered the construction of the mark and its likely impact on consumers as part of my analysis of the Section 3(1)(c) ground. I cannot see anything in the opponents' grounds or evidence that calls for separate consideration under paragraph (b). I will, however, comment briefly on the references in the opponents' evidence to combinations such as 'home brew', 'home economics' and 'homework'. It appears to be suggested that consumers will treat the mark applied for as following a similar pattern. If that is the case (and if it is related to the Section 3(1)(b) ground) I am unable to accept the submission. Each of these combinations constitutes a well known dictionary term. They also follow a normal grammatical construction consisting of home (used adjectively) and a noun. **homeprotect** does not follow that pattern and is a sufficiently unusual collocation of noun and verb that I am not prepared to say that it is devoid of distinctive character. In all the circumstances the Section 3(1)(b) objection has not been made out.

Section 3(3)(b)

29. The opponents' statement of grounds indicates that the perceived deception would arise if the mark was used in respect of services other than those in relation to the home and/or the protection thereof. Ms Trebble's evidence cites examples such as third party insurance, insurance against having twins, travel insurance, motor insurance etc. The applicants have indicated that their interest is in home insurance though their specification of services is not restricted in this way.

30. Kerly's Law of Trade Marks and Trade Names (Thirteenth Edition) has this to say about deceptive marks:

"7-164 Section 3(3)(b) of the 1994 Act prevents the registration of deceptive marks, a notion familiar from section 11 of the 1938 Act. The paragraph itself cites some non-exhaustive examples: trade marks which are of such a nature as to deceive the public as to nature, quality or geographical origin of the goods or services. In general, if a mark gives rise to an expectation which will not be fulfilled, then registration will be refused. The expectation (and hence the objection) must be a real one, as opposed to something obscure or fanciful, arising from the mark itself."

31. In the *SMIRNOFF* cases, O/352/01, the Hearing Officer was of the view that "in relation to Section 3(3)(b) there must be something inherent within the trade mark sufficient to mislead the public to a material extent before a positive finding can be made". An example of such a finding can be found in *Madgecourt Ltd's Application (MCL Parfums de Paris)* [2000] ETMR 825,

where the Hearing Officer held that the presence of “Parfums de Paris” in the mark gave rise to a concrete expectation that perfume or perfumed products sold under the mark would be manufactured in Paris and that if this was not reflected in the specification of goods the trade mark would be deceptive. A similar point arose in the judgment of Vinelot J in the *Swiss Miss* case [1997] RPC 219 page 222 line 43 where, having found that Switzerland had a reputation for chocolate of high quality, he said:

“The question is whether the mark would cause a number of persons, to entertain as a serious and not merely a fanciful possibility, whether the goods had a Swiss origin.”

32. These cases were concerned with geographical indications but, as noted in the above passage from Kerly’s, deception as to nature, quality or geographical origin are merely given as examples of circumstances in which deception may arise.

33. I conclude from the above that the cause of the deception must be inherent in the mark; it must be real and not fanciful; and that it must affect the economic behaviour of consumers in some identifiable and material way. Considered against that background **homeprotect** appears to me to be unobjectionable. It gives rise to no clear meaning or expectation. It is relevant to note that the third party uses, shown in exhibits JT5 to 8, are in relation to a variety of insurance services -accident, sickness and unemployment protection, dishwasher etc breakdown, household insurance and a package covering a range of life assurance, income protection and buildings and contents needs. Furthermore the nature of any insurance scheme is such that the consumer will not buy blind. He or she will specify in general terms what is required and be required to complete application forms which will draw out his or her needs. In all the circumstances any suggestion that use of **homeprotect** would result in deception is more than a little fanciful. Even if the mark was used in relation to, say, motor insurance it seems inconceivable that anyone would subscribe to such a policy in the belief that they were getting some form of home insurance. The objection under Section 3(3)(b) fails. Even if that were held to be a wrong view of the matter the objection could easily be overcome by restricting the specification to home insurance services.

34. The applicants have been successful and are entitled to a contribution towards their costs. I order the opponents to pay the applicants the sum of £1000. 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 20th day of August 2004

M REYNOLDS
For the Registrar
the Comptroller-General