

O-302-08

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NUMBER 2446693

BY JULIAN CALLAGHAN

TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 36:

UseCash The logo for 'UseCash' features the word 'UseCash' in a sans-serif font. 'Use' is in a light green color, and 'Cash' is in a dark grey color. To the right of the text is a stylized graphic consisting of two curved lines that form a partial smile or a checkmark shape, also in a light green color.

TRADE MARKS ACT 1994

IN THE MATTER OF Application Number 2446693

By Julian Callaghan

To register the following trade mark in class 36:



Background

1. On 15 February 2007, Julian Callaghan ("the applicant") applied to register trade mark application number 2446693 represented above, for the following services:

Class 36 Arranging financial transactions relating to the provision of purchase orders for the purchase of goods or services over the internet allowing customers to pay by cash.

2. On 4 May 2007, the UK Intellectual Property Office issued an examination report in response to the application. In the report, an objection was raised under section 3(1)(b) of the Trade Marks Act 1994 ("the Act"), on the basis that the mark was devoid of any distinctive character, and that it would "be seen as an encouragement to individuals to use cash when making purchases over the internet". The examination report also raised an objection under section 5(2) of the Act relating to earlier Community trade mark number E1218940.

3. In response to these objections, the applicant requested a telephone hearing which took place on 18 July 2007. At the hearing, I waived the section 5(2) objection, but maintained the section 3(1)(b) objection. As the applicant failed to forward any further submissions within the allotted period after the hearing, the application was formally refused on 17 January 2008. Mr Callaghan was given one month from that date in which to request a formal statement of grounds of refusal. On 15 February 2008, Mr Callaghan submitted a form TM5 requesting a statement of reasons for the registrar's decision.

4. I am now asked under section 76 of the Trade Marks Act 1994, and rule 69 of the Trade Marks Rules 2008, to state in writing the grounds of my decision and the materials used in arriving at it. No formal evidence of use for the purpose of demonstrating acquired distinctiveness has been put before me. Therefore, I have only the *prima facie* case to consider.

The applicant's case for registration

5. Prior to the hearing, Mr Callaghan provided written submissions in support of his claim that the mark is sufficiently distinctive for acceptance. In these submissions, Mr Callaghan made reference to a number of earlier UK and Community trade marks which (i) consisted of words and devices; (ii) covered services similar to those claimed in his own application; and (iii) which had been deemed acceptable in the *prima facie* case. Mr Callaghan also made reference to the fact that the same mark had been accepted at the Irish National Office, and quoted a number of word-and-device marks presented in the current Trade Marks Registry Work Manual which, he believed, should be taken as precedents in relation to the application-in-suit. Through reference to Council Directive 89/104/EEC of 21 December 1998 relating to approximation of the laws of the Member States relating to trade marks, Mr Callaghan inferred that the Irish National Office's acceptance of the identical mark should have a determinative effect upon the decision of the UK-IPO. Finally, Mr Callaghan's written submissions shed some further light on the nature of the class 36 services listed on the form TM3, and made brief reference to the mark being used since 2005 (although no evidence was provided to substantiate this claim).

6. At the hearing, Mr Callaghan reiterated those arguments already presented in his written submissions, and emphasised the fact that his own mark contained a combination of word and device elements which, when taken in totality, should result in the mark being deemed acceptable for publication.

7. Prior to setting out the Law in relation to section 3(1)(b) of the Act, I must emphasise that the following decision will set out my reasons for maintaining the objection by reviewing and assessing the mark applied for. I have noted Mr Callaghan's reference to earlier word-and-device marks which have been accepted

by the UK-IPO and by the Community Trade Mark Office, and note that much of his claim regarding alleged distinctiveness has been based upon relative comparisons with earlier marks and earlier acceptances. Whilst I acknowledge Mr Callaghan's submissions regarding certain material similarities between his own trade mark and those earlier marks he has quoted, I have maintained the objection by assessing the *mark applied for*, rather than by comparing its relative merits against earlier accepted marks.

8. As regards the earlier marks registered by the UK-IPO, I am unaware of the circumstances surrounding their acceptance, and consider them to be of little assistance in determining the outcome of this application. I draw support for this from the judgement of Jacob J in *British Sugar* [1996] RPC 281 at 305 where he stated the following:

"Both sides invited me to have regard to the state of the register. Some traders have registered marks consisting of or incorporating the word "Treat". I do not think this assists the factual enquiry one way or the other, save perhaps to confirm that this is the sort of word in which traders would like a monopoly. In particular the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led the registrar to put the marks concerned on the register. It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. *MADAME* Trade Mark and the same must be true under the 1994 Act. I disregard the state of the register evidence."

9. Nor have I been swayed by reference to the Irish National Office's acceptance of the same mark. Notwithstanding Council Directive 89/104/EEC, the Registrar is not bound by the decisions of other national offices, as confirmed by the European Court of Justice ("the ECJ") in its judgement on *Henkel KGaA v Deustches Patent und Markenamt* (C-218/01) where it was stated that:

“The fact that an identical trade mark has been registered in one Member State for identical goods or services may be taken into consideration by the competent authority of another Member State among all the circumstances which that authority must take into account in assessing the distinctive character of a trade mark, but it is not decisive regarding the latter’s decision to grant or refuse registration of a trade mark.

On the other hand, the fact that a trade mark has been registered in a Member State for certain goods or services can have no bearing on the examination by the competent trade mark registration authority of another Member State of the distinctive character of a similar trade mark application for registration of a similar mark for goods or services similar to those for which the first mark was registered.”

I should point out that the decisions of the ECJ on points of law are, of course, binding in the UK.

The Law

10. Section 3(1)(b) of the Act reads as follows:

3.-(1) The following shall not be registered

(b) trade marks which are devoid of any distinctive character

Decision

11. In assessing whether the mark applied for falls foul of section 3(1)(b), I refer to a judgement issued by the European Court of Justice in Joined Cases C-53/01 to C-55/01 *Linde AG, Windward Industries Inc and Rado Uhren AG* (8 April 2003) where, in paragraphs 37, 39 to 41, and 47, the following is stated:

"37. It is to be noted at the outset that Article 2 of the Directive provides that any sign may constitute a trade mark provided that it is, first, capable of being represented graphically and, second, capable of distinguishing

the goods and services of one undertaking from those of other undertakings.

39. Next, pursuant to rule 1 Article 3(1)(b) of the Directive, trade marks which are devoid of distinctive character are not to be registered or if registered are liable to be declared invalid.
40. For a mark to possess distinctive character within the meaning 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 products of other undertakings (see *Philips*, paragraph 35).
41. In addition, a trade mark's distinctiveness must be assessed by reference to, first, the goods or services in respect of which registration is sought and, second, the perception of the relevant persons, namely the consumers of the goods or services. According to the Court's case-law, that means the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect (see Case C-210/96 *Gut Springenheide and Tusky* [1998] ECR I-4657, paragraph 31, and *Philips*, paragraph 63).
47. As paragraph 40 of this judgement makes clear, distinctive character means, for all trade marks, that the mark must be capable of identifying the product as originating from a particular undertaking, and those distinguishing it from those of other undertakings."

12. On the basis of those comments presented above, it is clear that any assessment of a mark's distinctiveness pursuant to section 3(1)(b) must take into account both the nature of the goods and services claimed, and the likely perception of the relevant consumer using those goods and services. By considering such factors, I will be able to determine the likelihood of any potential consumer perceiving

the sign applied for as a distinctive indicator of origin, or simply as an origin-neutral sign.

13. In addition to this assessment of consumer perception, I must also be aware that the test is one of immediacy or first impression as confirmed by the European Court of First Instance which in its decision on *Sykes Enterprises v OHIM (REAL PEOPLE REAL SOLUTIONS)* [2002] ECR II-5179, stated the following:

"However, a sign which fulfils functions other than that of a trade mark is only distinctive for the purposes of Article 7(1)(b) of Regulation No 40/94 if it may be perceived immediately as an indication of the commercial origin of the goods or services in question, so as to enable the relevant public to distinguish, without any possibility of confusion, the goods or services of the owner of the mark from those of a different commercial origin."

14. In written submissions presented prior to the hearing, Mr Callahan provided further details as to the specific nature of the services claimed. In this case, the terms "arranging financial transactions relating to the provision of purchase orders..." appears to describe a service wherein an online purchaser of goods or services can, as an alternative to using a secure credit or debit card connection, be provided with a bar-coded bill (I presume in paper form) which can then be used in specific outlets to facilitate cash payment.

15. It is almost impossible to determine any specific relevant consumer in this case, on account of the fact that the applicant's payment method could be used in relation to *any and all* goods and services offered over the internet. I am, however, also aware of the security concerns regarding all forms of on-line payment, and therefore consider it reasonable to assume that a prospective user of the applicant's service would apply a reasonably high level of attention regardless of the unit cost of the goods or service being purchased.

16. Having identified that the prospective consumer could be any purchaser of any goods or services, and that the according levels of attention for anyone using the service would be reasonably high, I now turn to the mark itself.

17. As noted in the original examination report (and the hearing record), the mark consists of two main elements; the first being the term "UseCash", where each word is presented in a separate typeface and colour; the second being three elliptical shapes presented in different sizes so as to give an impression of perspective. Due to their presentation, these three devices give the impression of depicting circular disk-like shapes.

18. Although it is paramount that any assessment of distinctiveness takes into account the mark's totality, it is also useful to first analyse the mark by reference to its constituent parts. In relation to the words "UseCash", I am not persuaded that the phrase contains any inherent distinctiveness in relation to the services claimed. As indicated at paragraph 12 above, Mr Callaghan intends to provide services which will enable one to use cash as opposed to other card-related/bank transfer electronic payment methods when purchasing over the Internet. I therefore find the phrase "use cash" to be devoid of any inherent distinctive character for the services claimed.

19. This leaves an assessment of the figurative device element. I have stated above that I believe these elliptical shapes would be perceived as representations of three disks seen in perspective. When viewed in close proximity to the words "Use Cash", I would go a step further and submit that the devices actually represent coinage. It is inevitable that any pictorial representation of "cash" will utilise images of coins and/or notes. In this case, although the device elements do not contain any of the specific features associated with coinage other than the shape, I believe that the graphical arrangement of these three disks placed next to the phrase "Use Cash" would be perceived by the relevant consumer as a stylised representation of three coins. It therefore also follows that there is some interaction between the mark's word and device elements in as much as the representation of coinage both complements and reinforces the literal message to "use cash", and vice versa.

20. Having assessed the individual elements which combine to form the composite mark, I now have to determine the extent to which that combination of elements - including the mark's stylistic presentation - creates a mark that would immediately be perceived by the average consumer as an indication of origin.

21. In assessing the mark's capability to function *prima facie* as an indicator of origin, I refer to the comments of Mr Geoffrey Hobbs QC who, sitting as the Appointed Person in *Quick Wash Action* [BL O/205/04], stated the following:

"I do not think that the hearing officer was guilty of excision or dismemberment in his assessment of the present mark. Devices can be distinctive or non-distinctive, just like any other kind of sign. What matters are the perceptions and recollections that the sign in question is likely to trigger in the mind of the average consumer of the goods concerned and whether they would be origin specific or origin neutral.

I think that the verbal elements of the mark I am considering speak loud and clear. It seems to me that the message they convey is origin neutral. The artistic presentation neatly and skilfully builds upon and reinforces the origin neutral message in a way that makes it even more effective than the words alone might have been for that purpose. I think that the net result is a well-executed, artistically pleasing, origin neutral device".

22. As with the Quick Wash Action mark, the phrase "use cash" appears to speak equally as clear and equally as loud when used in respect of services for facilitating the use of cash in electronic transactions. I also believe that the device of the three coins utilises elements of "artistic presentation" as referred to by Mr Hobbs QC in his decision on that earlier mark. At this point, it is important to emphasise that artistic presentation does not necessarily equate to inherent distinctiveness - particularly where figurative elements only serve to reinforce a more literal message being simultaneously conveyed by textual elements contained within the same mark. In the case under consideration, it appears clear to me that the figurative device of three discs is not one that has been chosen arbitrarily - a factor which is relevant to the assessment of the mark's distinctive character, as confirmed by Mr Richard Arnold QC sitting as the Appointed Person in case O-2008-08 *Sun Ripened Tobacco*. Furthermore, the relevant consumer is likely to encounter the mark when seeking out payment options on a website. Notwithstanding the fact that one's attention level will be relatively high when engaging in such activity, I still find it likely that a relevant

consumer will, on first impression, perceive the mark as an instructive reference relating to the use of cash, rather than card payments, accompanied by a stylistic representation of three coins. Admittedly, the use of different typefaces, colour, and a stylised representation of coins renders that sign more aesthetically pleasing on the eye than would a simple textual invitation to "use cash". However, the figurative and stylistic elements do not combine or interact to such an extent that the relevant consumer would, without first being educated to such effect, perceive the sign applied for as an indicator of trade origin.

CONCLUSION

23. I therefore conclude that the mark applied for is devoid of any distinctive character and is thus excluded from *prima facie* registration on the grounds of section 3(1)(b) of the Act.

24. In this decision, I have considered all the documents filed by the applicant and all the argument submitted to me in relation to this application and, for the reasons given, it is consequently refused under the terms of section 37(4) of the Act.

Dated this 7th day of November 2008

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