

O-311-06

TRADE MARKS ACT 1994

**IN THE MATTER OF AN APPLICATION NO 2378444
TO REGISTER A SERIES OF TWO TRADE MARKS
BY McEwan Decor Limited
IN CLASSES 2, 27 and 37**

Decision and Grounds of Decision

Background

1. On the 19th November 2004 Mr David McEwan of McEwan Decor of 75 Peffer Place, Edinburgh, EH16 4BB applied to register the trade mark WHERE QUALITY COUNTS for:

Class 2

Suppliers of paints, varnishes and sundries

Class 27

Suppliers of wall coverings

Class 37

Painters and decorators, joiners and all maintenance services

2. The mark was applied for in green and is shown below:

Where Quality Counts

3. In the examination report of the 14th December 2004 an objection was taken against the application under Section 3(1)(b) of the Act because the mark was deemed to consist essentially of the words “Where Quality Counts”, being a sign which would not be seen as a trade mark because it is ‘devoid of any distinctive character’. It was alleged that the phrase would merely be seen as a statement describing the high quality of the goods and services offered by the applicant.

4. At a hearing held on 10th June 2005 the applicant argued that the phrase did, in fact, act as a trade mark. The objection was, however, maintained and Mr McEwan submitted evidence of use of the mark.

5. The evidence of use was submitted on December 2nd 2005 and rejected on the 29th December 2005. Following refusal of the application a form TM5 was submitted to the registry on the 7th of July 2006. I am now asked under Section 76 of the Act and Rule 62(2) of the Trade Mark Rules 2000 to state in writing the grounds of my decision and the materials used in arriving at it.

Prima Facie Case

The Law

6. Section 3(1)(b) Act reads as follows:

“3.- (1) The following shall not be registered-
(b) trade marks which are devoid of any distinctive character”

The Case for Registration

7. At the hearing Mr McEwan argued that the mark WHERE QUALITY COUNTS is inherently distinctive. He pointed out that his company had been using the mark for some time and his customers recognised the phrase as his trade mark. This recognition, he argued, was evidence of the fact that the term was not 'devoid of ANY distinctive character'. Recognition of this nature would not be possible if the objection was correctly framed. In essence, he argued that the recognition he perceived of the phrase was proof of the point that the objection was incorrect.

Relevant Authorities

8. The purpose of Section 3(1)(b) of the Act is to prohibit registration of signs which, although not caught by the parameters set out by Section 3(1)(c) and 3(1)(d) of the Act are, nevertheless, incapable of distinguishing the goods and services of one undertaking from those of other undertakings.

9. The approach to be adopted when considering the issue of distinctiveness under Section 3(1)(b) of the Act has been summarised by the European Court of Justice in paragraphs 37, 39 to 41 and 47 of its Judgment in *Joined Cases C-53/01 to C-55/01 Linde AG, Windward Industries Inc and Rado Uhren AG* (8th April 2003) in the following terms:

“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 the rule in 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 C210/96 *Gut Springenheide and Tusky* [1998] ECR I-4657, paragraph 31, and *Philips*, paragraph 63).

47. As paragraph 40 of this judgment 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 thus distinguishing it from those of other undertakings.”

10. In this case the mark in question consists of a three word phrase or slogan. Guidance on the examination of slogans is available in Chapter 6 of Trade Mark Registry Work Manual at paragraph 32 where it states:

”Slogans are registrable as trade marks provided that they have the capacity to individualise the goods or services of one undertaking because they are not comprised of signs or indications which directly describe the goods or services or their essential characteristics, and are not devoid of distinctive character for any other reason.”

11. In order to assess the distinctive character of a mark the context in which the mark is used influences this decision. In this case the application relates to goods and services in Classes 2, 27 and 37 which are essentially DIY goods and services. These are everyday products which an average consumer purchases in a habitual manner.

12. The importance of the average consumer’s point of view in relation to slogans has been illustrated by the Court of First Instance – Case T-281/ 02, Norma Lebensmittelfilialbetrieb GmbH & Co KG v. OHIM - MEHR FÜR IHR GELD [meaning ‘if you buy this from us, you will get more for your money!'].]

“31. In that regard, the applicant’s argument that the consumer is told nothing about the content or nature of the goods offered under the mark is irrelevant, because he does not know to what the word “more” relates. For a finding that there is no distinctive character, it is sufficient to note that the semantic content of the word mark in question indicates to the consumer a characteristic of the product relating to its market value which, whilst not specific, comes from promotional or advertising information which the relevant public will perceive first and foremost as such, rather than as an indication of the commercial origin of the goods (see, to that effect, *REAL PEOPLE, REAL SOLUTIONS*, paragraphs 29 and 30). In addition, the mere fact that the word mark “Mehr für Ihr Geld” does not convey any information about the nature of the goods concerned is not sufficient to make that sign distinctive.”

13. It is generally accepted that the test for the registrability of a slogan is no different than for any other type of mark. However, there are some particular considerations applicable to slogans. Their very nature means that it is important to be aware of the fact that an average consumer may see a slogan or phrase as a piece of advertising, rather than a trade mark. In *REAL PEOPLE REAL SOLUTIONS* – ECJ Case T130/01 5 December 2002 the Court of First Instance stated that:

“29. Since the relevant consumer is not very attentive if a sign does not immediately indicate to him the origin and/or intended use of the object of his intended purchase, but just gives him purely promotional, abstract information, he will not take the time either to enquire into the sign's various possible functions or mentally to register it as a trade mark.

14. On the other hand the Court of First Instance has also been at pains to stress that there is no particular bar to the registration of slogans and assessment of their distinctiveness should not rely on search for originality. In DAS PRINZIP DER BEQUEMLICHKEIT - (Case T-138/00) the Court of First Instance stated that:

“44. In that regard, it is clear from the case-law of the Court of First Instance that lack of distinctiveness cannot be found because of lack of imagination or of an additional element of originality.”

15. In other words: lack of originality is no bar to registration.

Decision

16. In this case the mark applied for consists of the terms WHERE QUALITY COUNTS in a green font. My assessment of the innate distinctive character of this phrase is that, as a trade mark, it has none. The fact that the mark applied for is green in colour adds nothing tangible to its distinctive character. The term has a clear meaning which is instantly understandable: a trader using the term claims to be a source of high quality goods and services. It seems to me that any consumer of almost any product would understand the phrase WHERE QUALITY COUNTS as a reference to the high quality of the goods or services offered by a trader. In this case the average consumer of the DIY products and services sold by the applicant has no reason to dwell on the mark or consider it in any unusual way. Therefore the likely perception of the average consumer is that this would be a purely promotional statement.

17. Furthermore, as well as having an obvious literal meaning, it seems to me that the phrase, and phrases like it, are routinely used in marketing as a means of emphasising the quality of a product or service. Customers are, as a result of this exposure, used to seeking origin specific messages elsewhere on packaging etc...

18. For these reasons I maintain the objection under Section 3(1)(b) of the Act.

Evidence of Use

19. At the hearing the applicant sought advice as to whether evidence of use of the mark might illustrate sufficient acquired distinctiveness to permit registration. I did not prejudge this decision but made it clear that in my opinion a mark such as this would require a correspondingly compelling volume of evidence to show that, in the market place, consumers really do see it as trade mark. I referred to the need for turnover and advertising figures and stressed the need to submit exhibits. I made it clear that, in my opinion, it would be essential to provide clear exhibits if the weight of evidence was to be gauged properly. I stated that a key obstacle to overcome was the possibility that the phrase WHERE QUALITY COUNTS may be used as a strap line along with other more distinctive material. Whilst this does not preclude registration clear exhibits provide a means of objectively assessing the impact of one part of the whole.

The Law

20. The proviso to section 3(1) of the Act permits the registration of marks which have ‘acquired distinctive character through use’ stating that:

“Provided that a trade mark shall not be refused registration by virtue of paragraphs (b), (c) and (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 .”

Applicant’s Evidence

21. On the 2nd December 2005 the applicant provided evidence in the form of a letter making the following statements:

“I have enclosed all evidence of how close our “Where Quality Counts” trade mark is associated with our company for the past 16 years.

Our work is carried out all over the country for our valuable clients who recognise our “Where Quality Counts” trademark. There is a broad scope of items, which bear our trademark, and these are all enclosed.

Our company has a turnover of £2,000,000 and currently spends £20,000 per year on work wear, stationary, advertising and livery on our vehicles which all have our “Where Quality Counts” included within it.’

These were supplemented with letter headed paper, a compliment slip and a business card. These all showed the term ‘Where Quality Counts’ at the bottom of the page. The cards and letters were headed by a stylised word mark McEwan Decor.

22. Photographs were also submitted showing the ‘McEwan’ mark with the term ‘Where Quality Counts’ on decorator’s overalls, the side of a van, a baseball hat, a sweat shirt and a building (presumably a depot or workshop). In all instances the term WHERE QUALITY COUNTS appeared with the primary mark ‘McEwan Decor’.

Relevant Authorities

23. It is clear from the ECJ’s comments regarding slogans that phrases like the one under consideration here are potentially acceptable on the basis of evidence of use. For example, in *Windsurfing Chiemsee (C-108/97 and C-109/97)[1999] ETMR 585* the European Court of Justice stated that :

“52. If, on the basis of those factors, the competent authority finds that the relevant class of persons, or at least a significant proportion thereof, identify goods as originating from a particular undertaking because of the trade mark, it must hold that the requirement for registering the mark laid down in Article 3(3) of the Directive is satisfied.”

24. Moreover, it is clear that it is possible for marks which appear in association with other distinctive material can acquire distinctive character. In *Société des produits Nestlé SA v Mars UK Ltd* (ECJ C-353/03) the ECJ at paragraph 33 ruled that:

“33. The distinctive character of a mark referred to in Article 3(3) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks may be acquired in consequence of the use of that mark as part of or in conjunction with a registered trade mark.”

25. In the substance of that decision the ECJ identified the following criteria as essential in the assessment of evidence of use:

“29. The expression ‘use of the mark as a trade mark’ must therefore be understood as referring solely to use of the mark for the purposes of the identification, by the relevant class of persons, of the product or service as originating from a given undertaking.”

“30. Yet, such identification, and thus acquisition of distinctive character, may be as a result both of the use, as part of a registered trade mark, of a component thereof and of the use of a separate mark in conjunction with a registered trade mark. In both cases it is sufficient that, in consequence of such use, the relevant class of persons actually perceive the product or service, designated exclusively by the mark applied for, as originating from a given undertaking.”

“31. The matters capable of demonstrating that the mark has come to identify the product or service concerned must be assessed globally and, in the context of that assessment, the following items may be taken into consideration: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (judgment in *Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee* [1999] ECR I-2779, paragraphs 49 and 51).”

Decision

26. In my opinion the evidence submitted is not sufficient to justify accepting the mark of distinctiveness acquired through use. The letter and the exhibits show that the term WHERE QUALITY COUNTS is used consistently with the ‘McEwan’ mark. But it does not demonstrate any necessary public association of the phrase with the applicant. In fact nothing submitted suggests that the term WHERE QUALITY COUNTS is understood by the relevant public to be an indication of trade origin. The evidence shows that the term is used as a promotional statement.

27. In taking this decision it is understood that the annual turnover and period of use are by no means insignificant. It is clear that the phrase has been used in the market place. However, the problem identified at the hearing (the need to show that the term is seen as a trade mark by the relevant public) has not been overcome. There is no

compelling evidence to suggest that the average consumer of decorating products from McEwan Decor would see the words WHERE QUALITY COUNTS as anything more than reference to the quality of McEwan's products and services. There is no clear indication as to the geographical extent of the use, the evidence suggest the mark is used in Edinburgh only. The term appears to be used in reference to the 'McEwan Decor' mark, which is a clear, stylised trade mark.

28. In my opinion the evidence of use provided was insufficient in detail. I have considered the criteria laid down by the ECJ in *Société des produits Nestlé SA v Mars UK Ltd* and I conclude that the evidence provided does not satisfy them. Generalisations were not supported with clear evidence and clear indications of the extent and nature of trade and advertising were absent. Even more importantly, the context of the use does not support the claim that the phrase has become recognised as denoting the trade source of the applicant's goods and services.

Conclusion

29. In this decision I have considered all the documents filed by the applicants and all the arguments submitted to me in relation to this application and, for the reasons given, it is refused under the terms of Section 37(4) of the Act because it fails to qualify under Section 3(1)(b) of the Act and is not exempted from this by the proviso to Section 3(1) (b), (c) and (d).

Dated this the 1st November 2006

**D. Anthony
For the Registrar
The Comptroller General**