

O-451-13

**TRADE MARKS ACT 1994  
IN THE MATTER OF APPLICATION 2570180  
BY TESCO STORES LIMITED  
TO REGISTER THE FOLLOWING TRADE MARK  
IN CLASSES 9, 16, 35, 36, 39, 41 AND 42**

**CLUBCARD**

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**CLUBCARD**

**Background**

1. On 26 January 2011, Tesco Stores Limited ('the applicant') applied to register the word 'CLUBCARD' as a trade mark for the following goods and services:

Class 09: Magnetic cards; credit cards; encoded cards; software, downloadable software and software applications; mobile software applications, desktop software applications, business software applications, educational software applications, downloadable applications for multimedia devices.

Class 16: Printed matter, printed publications, magazines, periodicals, brochures; promotional material; vouchers; gift vouchers; trading vouchers; vouchers for value; credit cards (other than encoded or magnetic); loyalty cards.

Class 35: Advertising; marketing services; organising, operation and supervising of sales and promotional incentive schemes; publicity services; promotional services; operation, supervising and management of sales and promotional programmes relating to the awarding of points; distribution of prospectuses; dissemination of advertising matter; affinity programmes and loyalty programmes; rewards schemes relating to the redemption of allocated promotional schemes for the benefit of customers and members of the award schemes; the bringing together for the benefit of others of a variety of goods namely, gifts, being books, cards, pictures, magazines, photographs, CD's, DVD's, chocolate and confectionery, plants, flowers and seeds, all to be purchased from a general store, or via mail order or via an Internet website specialising in such goods or by means of telecommunications; the bringing together, for the benefit of others of a variety of services providers for magazine subscriptions, subscriptions to societies and organisations, activity days, and entertainment events, all to be chosen in a general store, or via mail order or via an Internet website specialising in such services or by means of telecommunications; ordering services [for others]; electronic ordering services; information, advisory and consultancy services relating to the aforesaid.

Class 36: Issuing of tokens of value; issuing of tokens of value in relation to customer loyalty schemes; the issuing of vouchers including for restaurants and cafes, entertainment events, cinema, hotels, accommodation, flights, travel, holidays, theatre, theme parks and activity days ; savings schemes; information, advisory and consultancy services relating to all the aforesaid.

Class 39: Travel agents services; booking agency services; arranging, booking and reserving holidays, travel, and tours by land, sea and air; delivery services; information, advisory and consultancy services relating to the aforesaid.

Class 41: Arranging and conducting of conferences and seminars; organisation of competitions; education services; entertainment services; booking of entertainment; organisation of exhibitions; provision of sports facilities; rental of films, videos and motion pictures; rental of radio, television and video apparatus; provision of teaching services; recreation services; information, advisory and consultancy services relating to the aforesaid.

Class 43: Services of arranging, booking and reservation of accommodation and travel services; travel agency services; restaurant reservation services; information, advisory and consultancy services relating to the aforesaid.

2. On 8 February 2011, the Intellectual Property Office ('IPO') issued an examination report in response to the application by Groom Wilkes & Wright LLP ('the agent') acting on behalf of Tesco Stores Limited. In the report, an objection was raised against all classes in the application under section 3(1)(b) of the Trade Marks Act 1994 ('the Act') on the grounds that the mark is devoid of any distinctive character because *"the mark consists exclusively of the term CLUBCARD, being a sign which would not be seen as a trade mark as it is devoid of any distinctive character when used in relation to goods and services obtained or provided through a customer loyalty scheme where its members are issued with a clubcard. The term is commonly used by third parties and is therefore not capable of indicating trade origin"*. To support the objection, the examiner sent hyperlinks to third party websites showing use of the term. Two months were allowed for the agent to respond.

3. On 8 April 2011 the agent responded, informing the examiner that he was gathering evidence to support the application and required an extra three months in which to do so. The examiner replied on 12 April 2011, allowing until 12 July 2011 for a response. A further request for extra time was then agreed up until 12 September 2011. On 12 August 2011, the agent sent in a draft witness statement together with a request for further time in which to finalise and submit the evidence. Although this additional time was granted, the agent was informed that it should be deemed a final extension.

4. During the period in which time was allowed for the agent to submit evidence of use, a letter addressed to Andy Layton, Director of Trade Marks and Designs, was received from a Mr Nicholas Brummitt containing observations and pre-publication objections to the granting of the mark in question (Mr Brummitt did not disclose his position or company, but from Internet research it appears that he is an entrepreneur). In his letter, Mr Brummitt claimed that most major stores and various online companies operate similar loyalty schemes; that all utilised a clubcard as a means of identifying members and allocation loyalty points at checkouts; and that the word 'clubcard' is generic. He gave details of six websites which advertise their 'clubcards' on line, one being his own website, and went on to say that he had previously contacted the office to enquire about registering the mark 'clubcard' and was advised that the term was too generic to register. As is usual practice when observations are received prior to publication, the Office informed Mr Brummitt that we were unable to

considerer the observations at that stage in proceedings, and provided him with further information on keeping track of the application's progress. The agent was given copies of Mr Brummitt's correspondence.

5. On 7 October, the agent sent in evidence of acquired distinctiveness. The examiner did not feel that the evidence showed that the mark had become distinctive through the use made of it and informed the agent of this in a letter dated 16 November 2011. On 4 January 2012, the agent requested additional time in which to explore further options to overcoming the objections raised, and so the examiner granted time up to 16 April 2012. On 13 April 2012 the agent then requested a further period of three months in which to respond and file supplementary evidence. This extension was granted on the basis that it was the final extension of time, as it was considered that the Registry had been very generous in the time allowed in respect of this mark (post-examination and prior to evidence of use being filed, four separate periods of extra time were granted totalling an additional seven months of response time; and *after* the filing of evidence of acquired distinctiveness a further three extensions of time were granted, totalling eight months). On 10 July 2012, and without any supplementary evidence having been filed, the agent requested an *ex parte* hearing.

6. A hearing was held by video conference link with Mr Wilkes of Groom Wilkes & Wright LLP on 23 November 2012. At the hearing, Mr Wilkes pointed out that the applicant had been using the term 'club card' extensively since 1995; that there are 16 million users of the scheme; and that the applicant is one of the largest providers of such a scheme in the UK. He submitted that although no advertising figures have been submitted, the other indicators used in assessing acquired distinctiveness are significant and should be sufficient to show acquired distinctiveness. In this case, the length of use, the number of users of the scheme, and the turnover figures are considerable, and that such evidence should be sufficient evidence to show that the mark had become distinctive because of the use made of it. Mr Wilkes went on to submit that if you said the words 'club card' to anyone, they would automatically associate the words with the applicant, and offered to limit the scope of the application to 'loyalty schemes'. Having considered all that Mr Wilkes had to say, and the evidence that had been submitted, I did not consider that I could waive the objection and confirmed that it had been maintained in my *ex parte* hearing report dated 23 November 2012. In that report, I allowed two months for any further response the agent wished to make.

7. Following a change of agent to IPulse (IP) Ltd, (hereafter referred to as 'the agent'), I allowed until 7 March 2013 for a response to be filed. On 7 March 2013, the agent, Mr Julius Stobbs, wrote to IPO thanking us for our leniency in relation to the dates. He informed us that he had *not* received a copy of the hearing report from the previous agent, and presented his assumption that our objection was likely based on concerns over third parties' use of the term 'clubcard'. Mr Stobbs went on to say that he did not consider there to be significant use of the term by any other third parties, and that he was confident that anyone seeing the term 'clubcard' would assume that it was use in connection with the applicant. He also pointed out that the application covered a wide range of goods and services; that the mark was registrable for goods and services *not* related to loyalty schemes; and that, if I disagreed with his comments, it would be sensible to arrange a telephone call to discuss it further.

8. As the agent had not received a copy of the hearing report, I sent a copy under cover of my letter of 15 March 2013 in which I pointed out that it would not be appropriate to engage in discussions which would equate to a second hearing and referred to comments made in Practice Amendment Notice ('PAN') 1/01:

*"Submissions received after the Hearing*

*The hearing should normally complete the examination process and applicants and their attorneys should not routinely expect to be allowed further periods of time. All substantive arguments should be made at the hearing. Therefore, Hearing Officers will not expect to receive subsequent submissions in writing that could have been made at the hearing. In cases where the Hearing Officer agrees to suspend the application following the hearing, the applicant or attorney will be expected to use the time allowed for the purpose for which it was granted."*

9. Regarding the agent's comments about the breadth of the objection in relation to all the goods and services covered by the application, I had not considered this at the *ex parte* hearing because of the previous agent's intention to limit the scope of the application to loyalty schemes. I agreed that the mark is not objectionable for all the goods and services covered by the application and confirmed my view that the application is acceptable for the following:

Class 9: Educational software applications.

Class 35: Advertising; marketing services; the bringing together, for the benefit of others of a variety of goods namely, gifts being books, cards, pictures, magazines, photographs, CD's, DVD's, chocolate and confectionary, plants, flowers and seeds, all to be purchased from a general store, or via mail order or via an Internet website specialising in such goods or by means of telecommunications; the bringing together for the benefit of others of a variety of service providers for magazine subscriptions, subscriptions to societies and organisations, activity days and entertainment events, all to be chosen in a general store, or via mail order or via an Internet web site specialising in such services or by means of telecommunications; ordering services [for others]; electronic ordering services; information and advisory services relating to the aforesaid.

Class 39: Travel agents services; booking agency services; arranging, booking and reserving holidays, travel, and tours by land, sea and air; delivery services; information, advisory and consultancy services relating to the aforesaid.

Class 41: Arranging and conducting of conferences and seminars; organisation of competitions; education services; entertainment services; booking of entertainment; organisation of exhibitions; provision of sports facilities; rental of films, videos and motion pictures; rental of radio, television and video apparatus; provision of teaching services; information, advisory and consultancy services relating to the aforesaid.

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Class 43: Services of arranging, booking and reservation of accommodation and travel; travel services; travel agency services; restaurant services; information, advisory and consultancy services relating to the aforesaid.

10. On 17 May, the agent submitted a form TM5 requesting a statement of reasons for the registrar's decision. At this stage no formal notice of refusal had been issued. On 17 May 2013, a notice of refusal of the unacceptable goods and services was sent to the agent.

11. 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.

### **The prima facie case for registration under Section 3(1)(b) of the Act**

13. 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,

14. The Court of Justice of the European Union (CJEU) has repeatedly emphasised the need to interpret the grounds of refusal of registration listed in Article 3(1) and Article 7(1), the equivalent provision in Council Regulation 40/94 of 20 December 1993 on the Community Trade Mark, in the light of the general interest underlying each of them (*Bio ID v OHIM*, C-37/03P paragraph 59 and the case law cited there and, more recently, *Celltech R&D Ltd v OHIM*, C-273/05P).

15. The general interest to be taken into account in each case must reflect different considerations according to the ground for refusal in question. In relation to section 3(1)(b) (and the equivalent provision referred to above) the Court has held that "...*the public interest... is, manifestly, indissociable from the essential function of a trade mark*", *SAT.1 SatellitenFernsehen GmbH v OHIM*, C-329/02P. The essential function thus referred to is that of guaranteeing the identity of the origin of the goods or services offered under the mark 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 paragraph 23 of the above-mentioned judgement). Marks which are devoid of distinctive character are incapable of fulfilling that essential function. Section 3(1)(c) on the other hand pursues an aim which reflects the public interest in ensuring that descriptive signs or indications may be freely used by all (*Wm Wrigley Jr v OHIM*, 'Doublemint', C-191/OP, paragraph 31).

16. Section 3(1)(b) must include within its scope those marks which, whilst not designating a characteristic of the relevant goods and services (i.e. not being necessarily descriptive), will nonetheless fail to serve the essential function of a trade mark in that they will be incapable of designating origin. In terms of assessing distinctiveness under section 3(1)(b), the ECJ provided guidance in *Koninklijke KPN Nederland NV v Benelux-Merkenbureau (Postkantoor)* C-363/99 where, at paragraph 34, it stated:

*"A trade mark's distinctiveness within the meaning of Article 3(1)(b) of the Directive must be assessed, first, by reference to those goods or services and, second, by reference to the perception of the relevant public, which consists of average consumers of the goods or services in question, who are reasonably well informed and reasonably observant and circumspect (see inter alia Joined Cases C-53/01 to 55/01 Linde and Others [2003] ECR I- 3161, paragraph 41, and C-104/01 Libertel [2003] ECR I-3793, paragraphs 46 and 75)."*

17. This establishes the principle that the question of a mark being devoid of any distinctive character is answered by reference firstly, to the goods and services applied for, and secondly, to the perception of the average consumer for those goods or services. The goods and services to which the objection applies are:

Class 9: Magnetic cards; credit cards; encoded cards; software, downloadable software and software applications; mobile software applications, desktop software applications, business software applications, downloadable applications for multimedia devices.

Class 16: Printed matter, printed publications, magazines, periodicals, brochures; promotional material; vouchers; gift vouchers; trading vouchers; vouchers for value; credit cards (other than encoded or magnetic); loyalty cards.

Class 35: Organising, operation and supervising of sales and promotional incentive schemes; publicity services; promotional services; operation, supervising and management of sales and promotional programmes relating to the awarding of points; distribution of prospectuses; dissemination of advertising matter; affinity programmes and loyalty programmes; rewards schemes relating to the redemption of allocated promotional schemes for the benefit of customers and members of the award scheme.

Class 36: Issuing of tokens of value; issuing tokens of value in relation to customer loyalty schemes; the issuing of vouchers including for restaurants and cafés, entertainment events, cinema, hotels, accommodation, flights, travel, holidays, theatre, theme parks and activity days; savings schemes; information, advisory and consultancy services relating to all the aforesaid.

18. In relation to identifying the relevant consumer, it is reasonable to assume that the goods and services claimed in this application can be described as being directed towards a non-specialist general public who would demonstrate an average level of attention when considering their purchase. One must also be aware that the test is one of immediacy or first impression, as confirmed by the European Court of First Instance (now the General Court) which, in its decision on *Sykes Enterprises v OHIM, T-130/01 (Real People Real Solutions)*, stated the following:

*"...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."*

19. When assessing a mark's distinctiveness, it is necessary to consider the perception of that mark by the average consumer - who I have identified at paragraph 18 above as being the public at large. The mark consists of the words 'club' and 'card' conjoined. The dictionary-defined meanings of the word 'club' include "*a group or association of people with common aims or interests ⇒ a wine club*" and "*(mainly British) an organization, esp in a shop, set up as a means of saving*". Definitions of the word 'card' meanwhile include "*such a card used for identification, reference, proof of membership, etc ⇒ library card, identity card, visiting card*" (all definitions taken from Collins English Dictionary). It is therefore reasonable to assume that the average consumer, when seeing the word 'clubcard' in relation to services relating to loyalty schemes, will merely see it as indicating a loyalty club which is operated by means of a card.

20. In his letter of 7 March 2013, the agent stated that he did not believe that there is significant use of the term 'club card' by any third party. He went on to state that there "*may well be one or two parties who use the term (and frankly almost certainly infringe rights owned by Tesco) but I do not believe that this is sufficient to suggest that the term is not distinctive of Tesco*". I had addressed the issue of third party use of the term 'clubcard' in my hearing report, and at annex A to this decision I have attached details of such use as they were presented in the hearing report. This was not an exhaustive record of all the third party use found on the Internet, but it does, I believe, show that the applicant is not the only one using the term 'clubcard' in connection with loyalty schemes. Whilst the loyalty schemes provided by others may not be as large as the scheme offered by Tesco, this is no basis for providing Tesco with rights in respect of what I consider to be a descriptive term.

21. Applying the CJEU's guidance in case law mentioned above, together with my own findings, I have concluded that the mark applied for will not be identified as a trade mark without first educating the public that it functions as such. I therefore conclude that the mark applied for is devoid of any distinctive character and is thus excluded from *prima facie* acceptance under section 3(1)(b) of the Act.

### **The evidence of use**

22. On 7 October 2011, the original agent submitted evidence in support of a claim to acquired distinctiveness. This came in the form of a witness statement by Emma Shearing, an intellectual property consultant working for the applicant, together with various exhibits. The witness statement provided details of group sales extracted from the applicant's annual financial reports. In the UK, those sales figures (given in £ million and excluding VAT) range from £27,146 in 2005 to £38,191 in 2009. The witness statement confirmed that the first use of the mark 'CLUBCARD' in the UK was in 1995 and that it has been in continuous use throughout the UK since that date, and it goes on to provide details of the creation, history and use of the 'CLUBCARD' loyalty scheme. The number of 'active' members (where 'active' means those that have used their CLUBCARD in the last 8 weeks) ranges from 12.6 million in 2006 to 15.6 million in 2010.



23 The witness statement confirms that figures for advertising expenditure are not readily available. The scheme is complimentary to customers to join, and the cost of maintaining and operating the scheme is substantial with not less than 1000 people working in connection with scheme at any one time.

24. The evidence contains exhibits showing the mark in use, including copies of the application form used to join the scheme, leaflets which provide customers with information about the scheme, copies of club card statements, and copies of Tesco's in-house wine club and food magazines which further publicise the scheme.

### **The case for registration based on acquired distinctiveness**

25. The question to be determined is whether, through the use made of it, the sign applied for has acquired a distinctive character in respect of the goods for which registration is sought. In doing so, this question must be asked through the eyes of the average consumer who is reasonably well informed, observant, and circumspect (*Lloyd Schufabrik Meyer & Co. GmbH v. Klijsen Handel BV*, C-342/97[1999] ECR I-3830 para.26. In this case we have identified the average consumer as being the general public.

26. The key authority for acquired distinctiveness is *Windsurfing Chiemsee Produktions Und Vertriebs GMBH v. Boots-Und Segelzubehor Wlater Huber*, C109/97 (*Windsurfing*); the relevant test being set out in paragraph 55:

*"...the first sentence of Article 3(3) of the First Directive 89/104/EEC is to be interpreted as meaning that:*

*- A trade mark acquires distinctive character following the use which has been made of it where the mark has come 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 goods of other undertakings;*

*- In determining whether a trade mark has acquired distinctive character following the use which has been made of it, the competent authority must make an overall assessment of the evidence that the mark has come to identify the product concerned as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings;*

*- If the competent authority finds that a significant proportion of the relevant class of persons identify goods as originating from a particular undertaking because of the trade mark, it must hold the requirement for registering the mark to be satisfied;*

*- Where the competent authority has particular difficulty in assessing the distinctive character of the mark in respect of which registration is applied for, Community law does not preclude it from having recourse, under the conditions laid down by its national law, to an opinion poll as guidance for its judgment."*

27. I am also mindful of the CJEU decision in *Bovemj Verzekeringen NV v Benelux Merkenbureau (Europolis)*, C-108/05 where it was held that a trade mark may be registered

on the basis of acquired distinctiveness “...only if it is proven that the trade mark has acquired distinctive character through use throughout the territory of a member state”.

28. Taking into account all the information in the witness statements and exhibits, I do not consider that, at the time of application, the evidence shows that the mark has become distinctive because of the use made of it. It is clear from the information provided that Tesco is one of the largest providers of a loyalty scheme in the UK. However, this does not mean that the average consumer has come to recognise the term ‘clubcard’ as only indicating loyalty schemes provided by the applicant. As explained in paragraph 20 above and shown below at Annex A, other providers of loyalty schemes are using the term ‘club card’ in relation to their own schemes.

29. Although there are significant numbers of customers subscribing to the applicant’s club card scheme, it is conceivable that no amount of use by the applicant would indicate trade origin, given that mere evidence of use, even if substantial, does not automatically make out a case for acquired distinctiveness. The question concerns not just the *amount* of use made by the applicant, but also whether that use generates customer recognition of the sign as an *indicator of trade origin*. Any possible descriptive meaning must be displaced by the material trade mark meaning. In making these comments, I bear in mind Morrith LJ’s observation in *Bach and Bach Flower Remedies Trade Mark* [2000] RPC 513 at paragraph 49, where it was stated that:

*“...use of a mark does not prove that the mark is distinctive. Increased use, of itself, does not do so either. The use and increased use must be in a distinctive sense to have any materiality.”*

30. I have also considered the comments made in the case of *British Sugar PLC and James Robertson and Sons Ltd* decision (1996) RPC 281 (*Treat*) at page 302, line 22:

*“I have already described the evidence used to support the original registration. It was really no more than evidence of use. Now it is all too easy to be beguiled by such evidence. There is an unspoken and illogical assumption that “use equals distinctiveness”. The illogicality can be seen from an example: no matter how much use a manufacturer made of the word “Soap” as a purported trade mark for soap the word would not be distinctive of his goods. He could use fancy lettering as much as he liked whatever he did would not turn the word into a trade mark. Again, a manufacturer may coin a new word for a new product and be able to show massive use by him and him alone of that word for the product. Nonetheless the word is apt to be the name of the product not a trade mark. Examples from old well known cases of this sort of thing abound. The Shredded Wheat saga is a good example. Lord Russell said: “A word or words to be really distinctive of a person’s goods must generally speaking be incapable of application to the goods of anyone else.”*

31. It is clear from Internet research that the term ‘club card’ is capable of application to services provided by others, and is actually being used by others. I must therefore bear in mind that granting Tesco a monopoly in the words ‘club card’ would prevent others from using such a common term in order to describe their own loyalty schemes. In *Linde A.G. v Rado Uhren A.G.* (Case C-53/01) the following guidance was given at paragraphs 73 - 74

*“73. According to the Court’s case-law “Article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (see to that effect, Windsurfing Chiemsee, paragraph 25).*

*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.”*

32. Another concern I have is that the exhibits provided show that the mark in use is always shown with the distinctive trade mark ‘Tesco’ and the words ‘every little helps’ as shown below:



(This image was copied from images of the card shown on the Internet as it was not possible to copy an image from the exhibits. However this is how the mark appears in the exhibits).

33. In the use as shown in the evidence, I believe it is the trade mark ‘Tesco’ which is acting as the primary badge of origin for the loyalty scheme, where the term ‘clubcard’ is understood as being merely descriptive. Although secondary marks can be acceptable, where such a mark is used alongside another distinctive sign, the burden on the applicant to show that the non-distinctive mark has come to be seen as a secondary trade mark will be greater. The key issue will usually be whether the proprietor has used the mark distinctively in order educate the public that it is functioning as an indicator of trade origin. In this respect I refer to the comments made in the Opinion of the Advocate General in Case C-353/03 (*Have A Break*) where the Court of Appeal referred the following question to the Court for a preliminary ruling:

*‘May the distinctive character of a mark referred to in Article 3(3) of Directive 89/104 and Article 7(3) of Regulation No 40/94 be acquired following or in consequence of the use of that mark as part of or in conjunction with another mark?’*

The reply from the court was:

*“The use of a word sequence as part of a word mark can, as a matter of principle, lead to that word sequence acquiring the requisite distinctive character in order to be*

*registrable as a trade mark. In order to prove that distinctive character has been acquired through use as an element of a composite mark the relevant consumer groups must be shown to understand that the element in question, if used separately, designates a product as originating from a specific undertaking, thus distinguishing it from products of other undertakings”*

34. I do not consider the applicant has done enough to show that the use of the sign ‘clubcard’ alone designates only those loyalty schemes provided by Tesco. There does not appear to be any national advertising of the ‘club card’ scheme where the applicant has actively promoted the words ‘clubcard’ alone to indicate the services it provides. Nor is there any evidence to show that the applicant has promoted the mark to those who are not Tesco customers. The exhibits provided with the witness statement includes copies of booklets, magazines and notices relating to bonus points, all provided to those who are already members of the scheme. These customers, who are members of the scheme, will be aware that the services are provided by Tesco because the loyalty scheme can only be accessed by those who shop at Tesco. This does not indicate that those same customers will see the term ‘clubcard’ as being the trade mark of the services offered, but rather that they will merely see it as being a descriptive reference to a loyalty scheme operated via the card they are given by Tesco.

35. In my view the mark will not be seen as an indication of trade origin without first educating the consumer that the mark is a trade mark and I do not consider that the applicant has succeeded in doing this. The evidence submitted has not shown that the applicant has promoted the sign ‘clubcard’ alone as a trade mark of their goods and services. The sign is one that is used by others and so, in order to convince the average consumer (in this case the general public) that the sign is a trade mark of the applicant, it would have needed to do more to actively promote the mark to the general public at large, and not just to its own customers.

### **Conclusion**

36. Taking into account the guidance set out in relevant case law and the documents and exhibits filed, I consider the evidence has failed to show that, at the date of application, the average consumer had been educated into seeing the sign as indicating the trade origin of the good and services. The mark is therefore excluded from acceptance because it fails to qualify under section 3(1)(b) of the Act.

Dated 16th day of December 2013

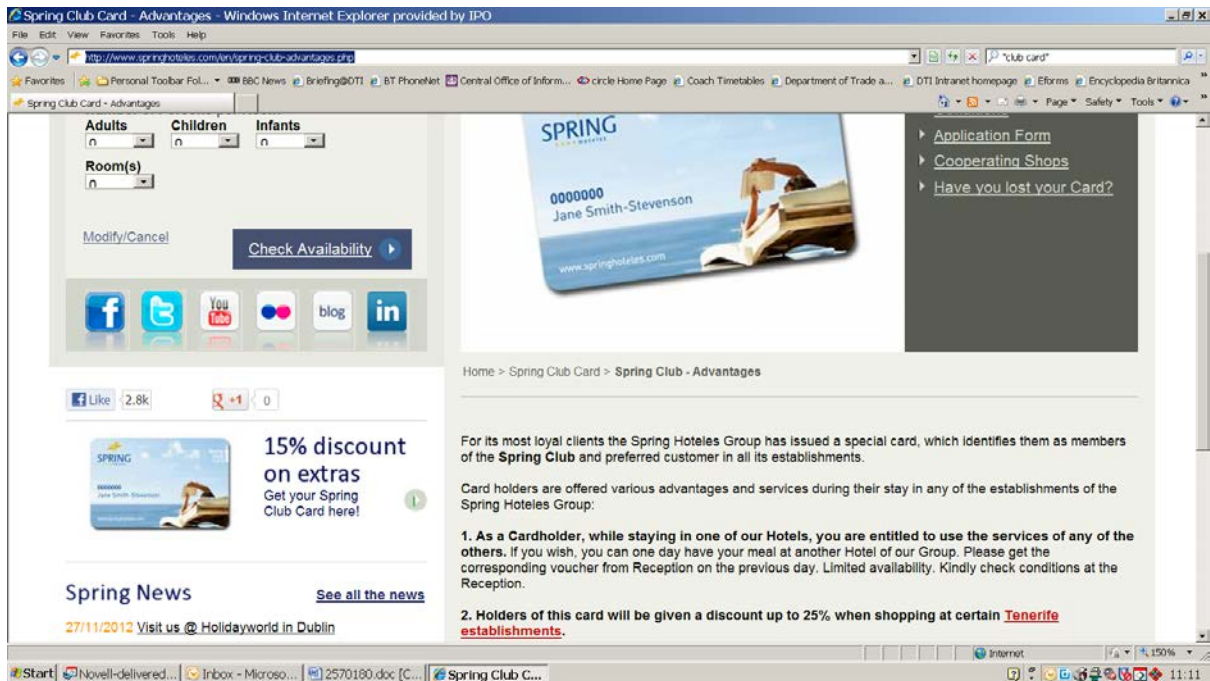
**Linda Smith**  
**For the Registrar**  
**The Comptroller-General**

Annex A

Having undertaken my own Internet research into use of the term 'club card', the following examples show third party use in reference to their own loyalty schemes. Please note that these examples were included to my *ex parte* hearing report dated X:

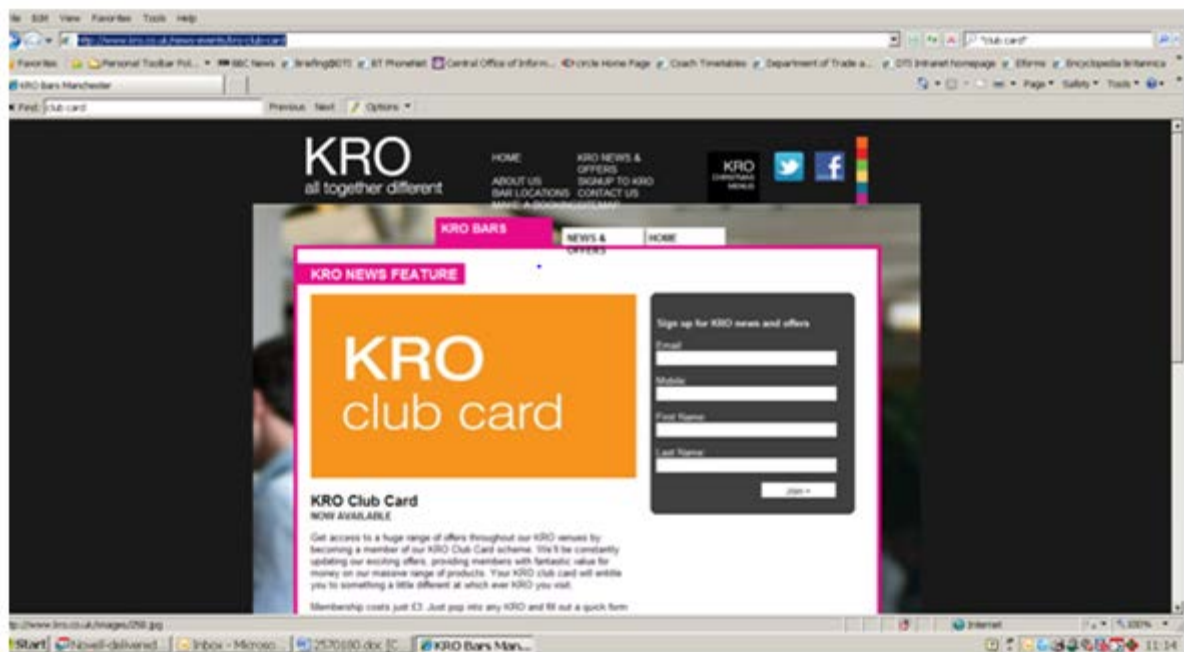
Example 1:

Taken from <http://www.springhoteles.com/en/spring-club-advantages.php>



Example 2:

Taken from <http://www.kro.co.uk/news-events/kro-club-card>



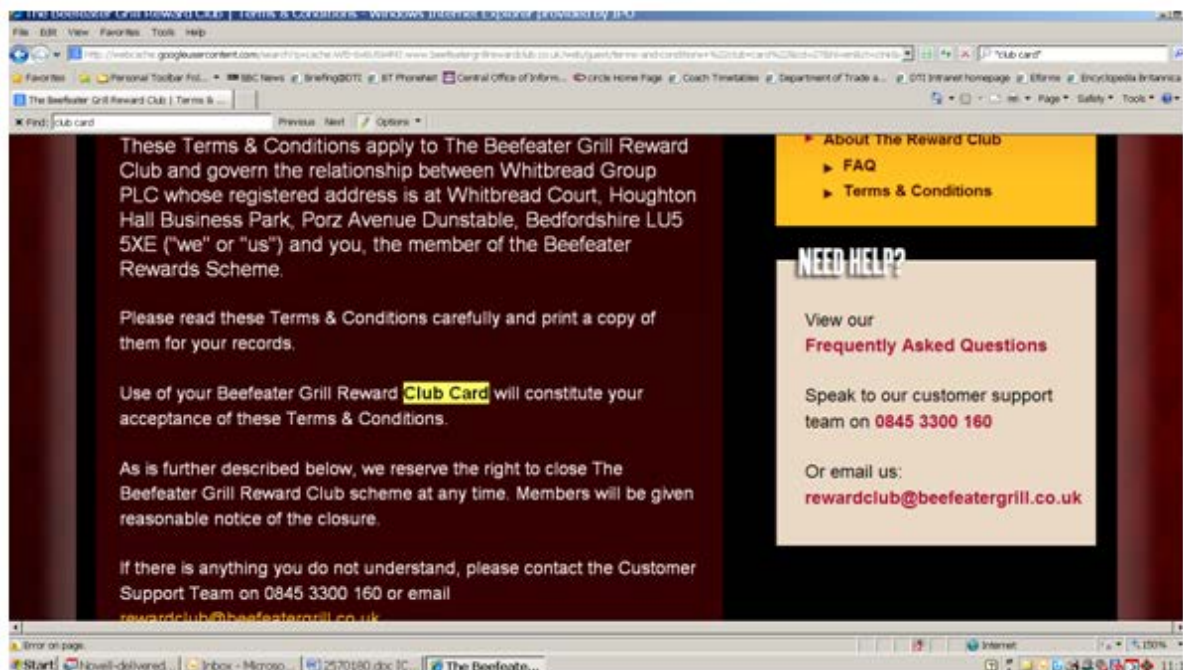
Example 3:

Taken from <http://www.everyoneschambers.com/club-card/>



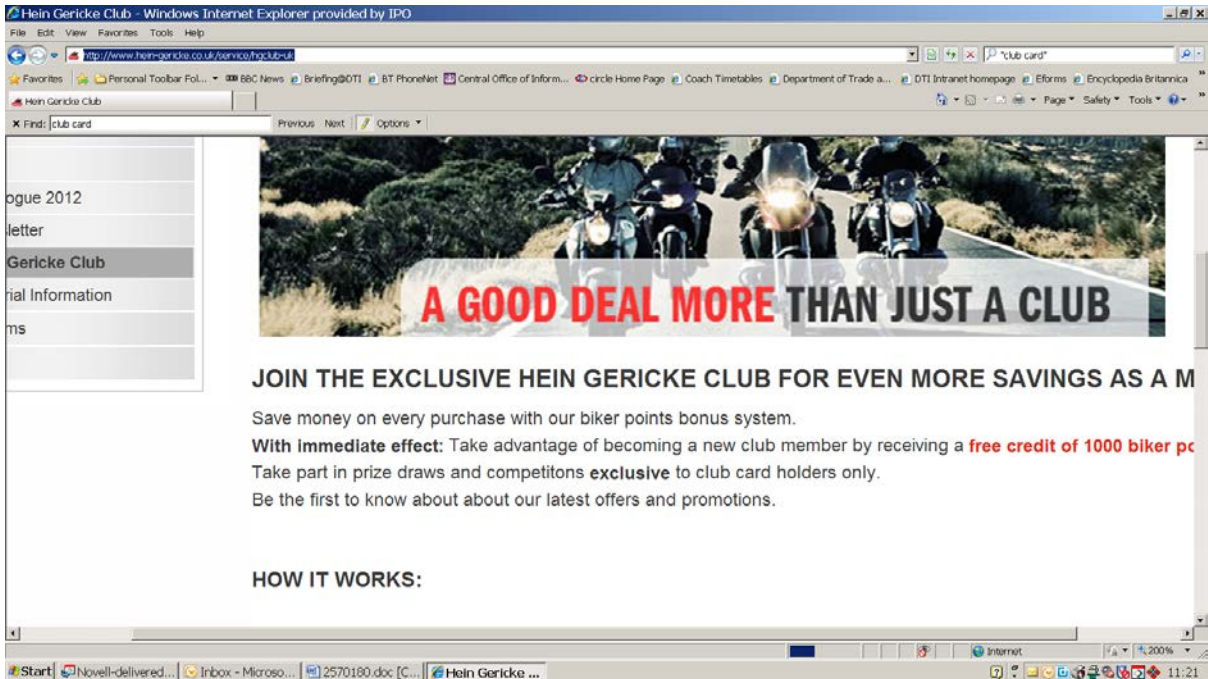
Example 4:

Taken from <http://webcache.googleusercontent.com/search?q=cache:Wfz-6v6USWMJ:www.beefeatergrillrewardclub.co.uk/web/guest/terms-and-conditions+%22club+card%22&cd=27&hl=en&ct=clink&gl=uk>



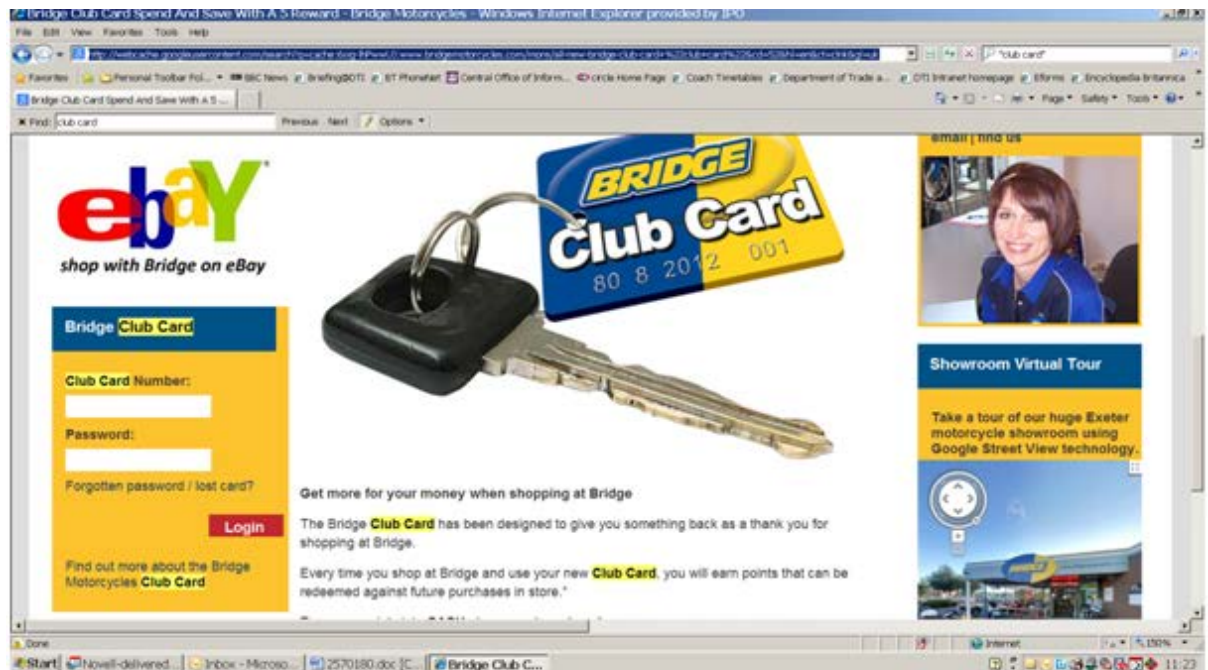
Example 5:

Also taken from <http://webcache.googleusercontent.com/search?q=cache:Wfz-6v6USWMJ:www.beefeatergrillrewardclub.co.uk/web/guest/terms-and-conditions+%22club+card%22&cd=27&hl=en&ct=clnk&gl=uk>



Example 6:

Taken from <http://webcache.googleusercontent.com/search?q+cache:6xig-lhPwwUJ:www.bridgemotorcycles.com/more/all-new-bridge-club-card+%22club+card%22&cd=52&hl=en&ct=clnk&gl=uk>



Example 7:

Taken from

<http://webcache.googleusercontent.com/search?q=cache:TxlEXgEXUEJ:www.ayoush.com/club-card.html+%22club+card%22&cd=81&hl=en&ct=clnk&gl=uk>

