

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NUMBER 12174
BY MICHAEL ROBIN MARKWELL LIMITED
FOR A DECLARATION OF INVALIDITY
IN RESPECT OF TRADE MARK NUMBER 1521388
IN THE NAME OF TABAK MARKETING LIMITED**

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**IN THE MATTER OF Application number 12174
by Michael Robin Markwell Limited
for a declaration of Invalidity
in respect of Trade Mark number 1521388
in the name of Tabak Marketing Limited**

BACKGROUND

1. Trade mark number 1521388 is for the mark CDCARD and is registered in Class 16 for the following specification of goods:-

"Greetings cards incorporating compact discs."

The mark was advertised as "Proceeding because of distinctiveness acquired through use and trade evidence" and stands registered from the filing date of 31 October 1994.

2. On 9 January 2001 Mr Michael Robin Markwell applied for the invalidation of the trade mark registration. In summary, the grounds of invalidation were as follows:-

- (i) The registration is invalid under Section 47(1) of the Act because -
 - a) it was registered in breach of any distinctive character;
 - b) it was registered in breach of Section 3(1)(c) as it consists exclusively of signs or indications which may serve, in trade, to designate the kind, intended purpose or other characteristic of the goods;
 - c) It was registered in breach of Section 3(1)(d) as it consists exclusively of signs or indications which are customary in the current language or in the bona fide and established practices of the trade.
 - d) It was registered in breach of Section 3(6) as the evidence filed in support of the application was both misleading and made in bad faith.
- ii) The applicant further requests the Registrar to remove the trade mark from the register in exercise of her discretion.

3. The registered proprietor filed a Counterstatement denying the grounds of invalidity. Both sides filed evidence and have asked for an award of costs in their favour. The matter came to be heard on 27 February 2002 when the applicant was represented by Mr Ward of Counsel instructed by Sanderson & Co and the registered proprietor was represented by Mr Bernard of FJ Cleveland.

Applicant's Evidence

4. This consists of a statutory declaration by Lawrence Andrew Sanderson dated 8 May 2001. Mr Sanderson is the Senior Partner in the firm of Sanderson & Co, the applicant's professional advisors.

5. Mr Sanderson states that the applicant for invalidity wishes to submit with respect to these proceedings the very same evidence that was submitted with respect of Invalidity/Revocation Action No. 10921 and accordingly the following exhibits are attached to Mr Sanderson's declaration:-

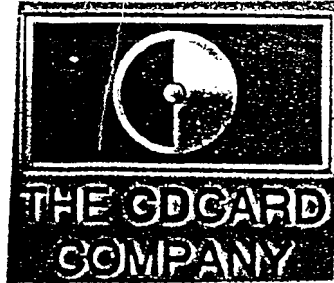
- "LAS 1" - a copy of the statutory declaration of Michael Robin Markwell dated 14 January 2000 together with copies of the exhibits attached thereto, submitted with respect to Invalidity Action No. 10921 by VFM Children's Entertainment Limited against trade mark registration number 1521388
- "LAS 2" - a copy of the statutory declaration of Terry Winsor dated 19 April 2000 together with copies of the exhibits attached thereto in respect of Invalidity Action No. 10921
- "LAS 3" - a copy of the statutory declaration of Alan Peter Bernard dated 19 June 2000 together with copies of the exhibits attached thereto in respect of Invalidity Action No. 10921
- "LAS 4" - copies of the statutory declarations of Ivan Rodrigues, Warren Lomax and Liz Karn, dated 2 May 2000, 3 May 2000 and 1 June 2000 respectively, in respect of Invalidity Action No. 10921
- "LAS 5" - a copy of statutory declaration by Michael Robin Markwell dated 18 December 2000 together with copies of the exhibits attached thereto, submitted in respect of Invalidity Action No. 10921 but not admitted into those proceedings.

6. I have already summarised the statutory declarations attached as Exhibits "LAS 1" to "LAS 4" (above) in my decision in the matter of Application Number 10921 for a Declaration of Invalidity and do not intend to repeat my summaries here. However, for the purposes of the present decision I also need to take into account the contents of Mr Markwell's statutory declaration of 18 December 2000.

7. In his 18 December 2000 declaration, Mr Markwell confirms that he is the same Michael Robin Markwell who executed the statutory declaration of 14 January 2000.

8. Mr Markwell states that he has read the statutory declaration of Terry Winsor dated 19 April 2000. He notes that Mr Winsor claims that the mark CDCARD has acquired distinctiveness through use but Mr Markwell states that the mark actually used does not

consist merely of the word CDCARD but the THE CDCARD COMPANY and a device. Mr Markwell refers to Exhibit "MRM 12" which is attached to his declaration, a copy of a CD supplied by Tabak Marketing Limited in support of this contention and states that the mark in use is as follows:-



9. Mr Markwell adds that in his view, most of the advertising material used by the registered proprietor promotes THE CDCARD COMPANY and not simply CDCARD and when CDCARD is used alone it is almost always as a description of the goods.

10. In response to Mr Winsor's comments about the use of generic terms and the differences where brand owners use their marks to represent their goods, Mr Maxwell states that when his company uses the term CD cards it is talking about CD cards as CD cards ie. the goods and not a branded product. He also takes issue with Mr Winsor in relation to his comments about other companies packaging and promotions e.g. Marks & Spencer and says it is illogical to always expect the name of the goods to be affixed to packaging.

11. In support of his arguments that CD card is in generic use Mr Maxwell draws attention to Exhibit MRM 16 to his declaration, a copy from GSS Retail Magazine published in January/February 2000 which includes an article which, he states, uses the term CD cards in a generic manner ie. "While technological innovations such as CD cards, e-mail cards and interactive cards on floppy discs have arrived in the market place, they have relatively little impact on total sales." Also, at Exhibit MSM 17, are a number of internet extracts referring to CD cards in a number of contexts.

12. Turning to the declarations filed in support of the registered proprietors by third parties, Mr Maxwell is surprised by the comments of Mr Godfrey of the Giftware Association as his company is also a member and has promoted its CD cards at Trade Fairs at which the Association arranges discounts. With regards to the evidence submitted by Ivan Rodrigues and Warren Lomax, Mr Maxwell states that his evidence cannot be regarded as truly independent as the registered proprietor places advertisements in their publications.

Registered Proprietor's Evidence

13. This consists of a witness statement and statutory declaration from Terry Winsor and Alan Peter Bernard respectively.

14. Mr Winsor is the Managing Director of the registered proprietor and he states that CDCARD has been in use since 1992 and has appeared on virtually all his company's products from the beginning, in addition to the company name which is sometimes also included. He adds that the example of the compact disc given by Mr Maxwell as Exhibit "MRM12" is an exception and in any case the CDCARD trade mark would be found on the packaging. Mr Winsor goes on to attach as Exhibit TW 20 to his declaration, copies of "the normal marking" on the compact discs sold on his company's greeting cards. This comprised four compact discs in their packaging, two of which show CDCARD under the CD device mentioned in paragraph 8 of this decision, without use of CDCARD solus. He adds that his company have always used TM or (after registration) ® after the mark CDCARD to indicate it as their brand and says that the incorporation of the brand name into the trading name is not unusual and does not weaken the brand name.

15. Mr Bernard is a partner in the firm f j Cleveland, the agents for the registered proprietors. He presents as Exhibits AB 20 to AB 24, statutory declarations by A P Bernard, Ivan Rodrigues, Warren Lomax, Liz Kahn and Terry Winsor. These are the same declarations referred to and exhibited with Mr Sanderson's declaration on behalf of the applicant.

Applicants Evidence in Reply

16. This consists of a further statutory declaration by Michal Robin Markwell and is dated 16 October 2001. This evidence adds no new material facts to the substantive issues before me.

17. This completes my summary of the evidence filed in this case. I now turn to the decision.

DECISION

18. At the hearing Mr Ward made it clear that the only grounds being pursued by the applicant were those Section 47(1) grounds based upon Section 3(1) and Section 3(6) of the Act.

19. Firstly, the Section 3(1) ground. The relevant parts of Section 3(1) of the Act are as follows:-

"The following shall not be registered -

- (a)
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have

become customary in the current language or in the bona fide and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it."

20. At the hearing Mr Bernard on behalf of the registered proprietor made no admissions in relation to the acceptability of the mark in suit in the prima facie. Accordingly, I must consider whether, on a prima facie, basis, the mark in suit meets the requirements of Section 3(1)(b)(c) and (d) of the Act.

21. It was common ground at the hearing that the prima facie case should be considered in the light of the 20 September 2001 judgement of the European Court of Justice in Procter & Gamble Company v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case - 383/99P for the mark Baby Dry. This judgement gives very useful guidance on the test for descriptiveness under Section 3(1)(c) of the Act.

22. I give below paragraphs 37, 39 and 40 of the judgement in full:

"37. It is clear from those two provisions taken together that the purpose of the prohibition of registration of purely descriptive signs or indications as trade marks is, as both Procter & Gamble and the OHIM acknowledge, to prevent registration as trade marks signs or indications which, because they are no different from the usual way of designating the relevant goods or services or their characteristics, could not fulfil the function of identifying the undertaking that markets them and are thus devoid of the distinctive character needed for that function."

"39. The signs and indications referred to in Article 7(1)(c) of Regulation 40/94 are thus only those which may service in normal usage from a consumer's point of view to designate, either directly or by reference to one of their essential characteristics, goods or services such as those in respect of which registration is sought. Furthermore, a mark composed of signs or indications satisfying that definition should not be refused registration unless it comprises no other signs or indications and, in addition, the purely descriptive signs or indications of which it is composed are not presented or configured in a manner that distinguishes the resultant whole from the usual way or designating the goods or services concerned or their essential characteristics."

"40. As regards trade marks composed of words, such as the mark at issue here, descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form. Any perceptible difference between the combination of words submitted for registration and the terms used in the common parlance of the relevant class of consumers to designate the goods or services of their essential characteristics is apt to confer distinctive character on the word combination enabling it to be registered as a trade mark."

23. These paragraphs indicate that only marks which are no different from the usual way of

designating the relevant goods or services or their characteristics are now debarred from registration by Section 3(1)(c).

24. At the hearing it was admitted, (as shown by the evidence), that the goods covered by the mark in suit are described in a generic sense as "Compact disc greeting cards" or as "CD greeting cards".

25. The mark in suit is CDCARD and comprises the highly descriptive acronym CD (a normal and popular alternative to the words "compact disc") and the obvious dictionary word CARD, conjoined. It is plain to see that the separate elements, CD and CARD, describe the goods sold under the mark ie. greetings cards (often described generally as cards) and CD's. However, as made clear by the BABY DRY decision, "descriptiveness must be determined not only in relation to each word taken separately but also in relation to the whole which they form".

26. In considering the prima facie case I bear in mind my own knowledge and experience which tells me that the descriptive words "Greeting Cards" and "Cards" are often easily interchangeable. For example, a customer may visit a "Card Shop" or "Greeting Cards Shop", purchase a "Card" for a friend or relatives birthday or a "Greetings Card" for a friend or relatives birthday, or ask for "Cards" with badges or which play tunes or "Greeting Cards" with badges or which play tunes. In the prima facie I see no reason why customers should not refer descriptively in normal use to CD CARDS as an alternative to CD GREETING CARDS e.g. "Will you pick me up a CD CARD for Jim's birthday please" or "Do you stock CD CARDS please?" Such use would describe the goods directly in a trading context.

27. In my considerations of the prima facie case I do not lose sight of the fact that the mark in suit consists of two conjoined elements ie. the acronym CD and the word CARD joined together. However, I do not believe this has any impact upon the position in the current case as the totality does not possess a separate meaning from the obvious combination and it would not be seen or heard as an invented word or as having an identity distinct from its component parts. In my view the mark is an obvious descriptor for CD's and greeting cards/cards sold together as a package.

28. In his submissions Mr Bernard reminded me that the mark "Cd card" in Class 16 had been accepted by the Office for the Harmonisation of the Internal Market on a prima facie basis. However, such acceptance is not binding upon this tribunal and I am unaware of the background and circumstances to that acceptance. I must consider the case in suit on its own merits in light of the information before me and on the basis of my own knowledge and experience.

29. To conclude on the prima facie case, I take the view that the mark at issue comprises two obvious and highly descriptive elements conjoined and that in its totality, the mark may serve in normal usage from a customer's point of view to designate the kind of goods concerned in a natural way. The mark does not meet the requirements of Section 3(1)(c) of the Act and thus also fails under Section 3(1)(b).

30. The registered proprietor has filed evidence of use and trade evidence in support of the registration, which relate to periods before and after registration. This goes to the proviso to Section 3(1). In accordance with this proviso, if it can be shown that the mark has in fact acquired a distinctive character as a result of the use made of it, it can be registered.

31. Both parties accepted that the appropriate test is that laid down by The European Court of Justice in conjoined cases C-108/97 and C-109/97 Windsurfing Chiemsee v Huber and Windsurfing Chiemsee v Attenberger (1999 ETMR 585). The relevant parts of the court's decision are reproduced below:

"49. In determining whether a mark has acquired distinctive character following the use 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.

50. In that connection, regard must be had in particular to the specific nature of the geographical name in question. Indeed, where a geographical name is very well known, it can acquire distinctive character under Article 3(3) of the Directive only if there has been long-standing and intensive use of the mark by the undertaking applying for registration. A fortiori, where a name is already familiar as an indication of geographical origin in relation to a certain category of goods, an undertaking applying for registration of the name in respect of goods in that category must show that the use of the mark - both long-standing and intensive - is particularly well established.

51. In assessing the distinctive character of a mark in respect of which registration has been applied for, the following may also be taken into account: 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.

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. However, the circumstances in which that requirement may be regarded as satisfied cannot be shown to exist solely by reference to general, abstract data such as predetermined percentages."

32. Although that case concerned an application for a geographical name, the principles set down apply to distinctive character in general.

33. I turn firstly to the evidence of use filed by the registered proprietor. At the hearing Mr Ward conceded that the registered proprietor had devised the idea of selling greetings cards

incorporating compact discs, had thus coined the name CD CARDS and had a very large market share in the goods. However, Mr Ward went on to make a number of criticisms of this evidence, in particular that the registered proprietors market share reflected the fact that they were first in the market; that while they may have coined the mark CD CARDS, the mark merely described a new product and that the registered proprietor's use and sales reflected a near de facto monopoly in the product. Mr Ward also submitted that actual use of the mark by the registered proprietor e.g. on packaging was in the vast majority of cases in combination with other trade mark material e.g. a stylised compact disc device, and the evidence intended to demonstrate the repute of the mark e.g. in press cuttings, showed generic rather than trade mark use. In essence, most of Mr Ward's criticisms go to the nature of the mark in suit in that it is the applicant's case that the mark CDCARD is so descriptive that it amounts to or virtually amounts to a generic term for the relevant goods. In such circumstances high levels of user or a large market share in the goods will not assist a registered proprietor.

34. In response, Mr Bernard was able to point to a number of instances of the registered proprietors use of CDCARD solus with the letters TM or R adjacent to the mark. He also submitted that the vast majority of third party comment e.g. press articles, was in a trade mark context and any instances of use in a generic sense (in press articles or features), was without the consent of the registered proprietor and was outside the registered proprietor's control.

35. Having examined the evidence of use submitted by the registered proprietor and after considering the submissions I have reached the view that the registered proprietor has used the mark in suit, albeit often with other trade mark material, and possesses a significant share of the market in the goods. However, this is by no means conclusive. It is well established that use does not necessarily equate with distinctiveness. As Morrit L J put it in Bach Flower Remedies Ltd v Healing Herbs Ltd (2000 RPC 513) -

"..... use of a mark does not prove that a 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 materiality".

36. I now go on to consider the trade evidence filed in support of the application which is summarised earlier. This may be conveniently listed under three categories, namely statutory declarations from those in trade associations (Mr Godfrey and Ms Karn), the trade press (Mr Rodrigues and Mr Lomax) and the trade itself (Ms Hargreaves).

37. Mr Ward criticized this evidence, principally on the basis that the declarants could not speak on behalf of the public and comment upon public perceptions of the mark. Furthermore, he suggested that Mr Rodrigues and Mr Lomax were not independent as they accept advertising from the registered proprietor. I do not believe this particular criticism of Mr Rodrigues' and Mr Lomax's evidence to be well founded and they are both entitled to draw upon the experience they have gathered in their official capacities in putting forward views and opinions.

38. The evidence from independent sources is intended to invite a finding that the mark identifies the goods of one undertaking to the relevant trade and the customers for the goods. The declarants make it clear that they associate the mark CDCARD with the registered

proprietor. However, none of them comment on whether the mark could be viewed as a normal descriptor for the goods and I fail to see how they can extrapolate their experience onto the general public so as to reach a conclusion as to the approach of the general public to the mark. All of the declarants have experience of the applicant who as stated earlier in this decision, were the first to market the goods in question and coined protected the mark in suit.

39. The sort of association that arises from a monopoly situation does not necessarily mean that a mark has acquired the necessary distinctive character. In passing off cases, such as Cellular Clothing 16 RPC 309, it has been said (per Lord Davey) that:-

"To succeed in such a case (the claimant) must demonstrate more than simply the sole use of the descriptive term. He must demonstrate that it has become so closely associated with his goods as to acquire the secondary meaning not simply of goods of that description but specifically of goods of which he and he alone is the source."

40. It seems to me that the words I have emphasized from the guidance of the ECJ have the same effect of demanding more than the sort of association than arises simply from monopoly use of a description. The trade evidence in the present case makes it clear that the terms "CD greetings cards" (Mr Hargreaves) and "compact disc greeting cards" (Mr Rodrigues) are normal and apt descriptor for the relevant goods. It does not throw any light on why CDCARD which seems an obvious contraction for compact disc greeting cards, is not a normal and apt descriptor for the goods, except that the declarants state that others do not use the term. This may simply reflect the fact that the registered proprietor coined the term, protected and registered it and thus ensured a de facto and legal monopoly. I do not therefore accept that the mark has acquired the necessary distinctive character.

41. Even if I am wrong about that, I do not consider that the trade witnesses who have given evidence can speak for the general public. The customer for the relevant goods is the general public at large and would not generally be a sophisticated or specialist consumer given the nature of the product. In my view, there is no directly relevant evidence on how the public would perceive the mark and the evidence filed does not demonstrate that the mark has acquired a distinctive character.

42. In the present case I am reminded of the position in Mc Cain International Limited v Country Fair Foods Limited and Another 1981 RPC 69, where the plaintiffs coined the concept and name "oven chips" which was an apt description for chips which could be cooked in the oven, although the consumer could not have become aware of what the expression meant until the product came on the market. Once on the market the name "oven chips" would inform the consumer of the nature of the product. In that case it was held that where a person introduces a new product to the market, gives it a name descriptive of the product and has a monopoly, whether legal or de facto, in that product he cannot claim a monopoly in that name. While this case was not decided under the 1994 Act, it seems to me that the principles set out are consistent with the tests set out by the ECJ in that a mark can only acquire distinctive character following use made of it, if it distinguishes a product from the like goods of other undertakings.

43. At the hearing, Mr Bernard was critical of the applicant's evidence as, in his view, it did not demonstrate use of the mark in suit by third parties. In his submission the applicant's claim to generic use of "cd card" amounted to infringement. He went on to submit that the applicant had supplied no supporting evidence from third parties e.g. the trade or public, in relation to the alleged descriptive nature of the mark in suit and that most of their submissions amounted to mere criticism or 'nit-picking' of the evidence filed in support of the registration by the registered proprietor.

44. There is some force in Mr Bernard's criticisms and Section 72 of the Act places the onus on the applicant to show that registration is invalid. However, an application for revocation and/or invalidation before the Registrar's tribunal may include a re-hearing by the tribunal of the basis of which the application for registration was accepted by the Registrar, in addition to the consideration of new evidence. An applicant is entitled to make submissions in this regard and the tribunal may re-evaluate the circumstances of the marks acceptance and registration. See Treat 1996 RPC 281.

45. On the basis of all the evidence submitted in this application for invalidity and after taking into account the submissions of both parties, I have come to the conclusion that, for the reasons given, the mark in suit fails to qualify under Section 3(1)(b) and (c) of the Act and the evidence filed does not show that the mark has acquired a distinctive character sufficient to satisfy the proviso of Section 3(1) of the Act. In my view the mark in suit had not acquired a distinctive character before the date of registration and has nor acquired a distinctive character since registration. Accordingly, my findings apply to the position as at 31 October 1994 and subsequent to that date.

46. As the application for revocation is successful under Section 47(1) of the Act by virtue of Section 3(1)(b) and (c) of the Act I have no need to go on and consider the other grounds raised.

47. In accordance with Section 47(6) of the Act, the registration will be declared invalid and deemed never to have been made.

48. The applicants are entitled to a contribution towards their costs. I order the registered proprietors to pay them the sum of £1,700. 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 19 day of April 2002

JOHN MacGILLIVRAY
For the Registrar
the Comptroller-General

