

**Trade Mark No. 1521388 “CDCARD”
In the name of Tabak Marketing Ltd
Applications for declaration of
invalidity by Michael Robin Markwell
and VFM Children’s Entertainment
Ltd.**

DECISION

1. On 31st October 1994 Tabak Marketing Limited (Tabak) applied to register the mark CDCARD in Class 16 in respect of

“Greeting cards incorporating compact discs”.

2. On examination the Registry raised an objection pursuant to section 3 of the Trade Marks Act 1994 on the basis (inter alia) that the mark was devoid of any distinctive character. Tabak disputed this but also contended that, by the date of application, the mark had become distinctive by reason of use and supported this contention by two declarations of Mr. Winsor, the managing director of Tabak. On the basis of this evidence the Registry were satisfied that registration was permissible having regard to the proviso to section 3 of the Trade Marks Act 1994 and the mark was advertised as

“Proceeding because of distinctiveness acquired through use and trade evidence”.

3. There was no opposition and the mark was accordingly registered.

4. On 18th June 1999 VFM Children’s Entertainment Limited applied for the invalidation and/or rectification of the trade mark registration pursuant to sections 46 and 47 of the Act. For procedural reasons a further application for invalidation pursuant to section 47 was made on 9th January 2001 by Mr. Michael Robin Markwell, the managing director of VFM. Following the service of evidence both applications came on for a joint hearing before Mr. MacGillivray, the Hearing Officer acting on behalf of the Registrar. Of the many grounds pleaded in the VFM application and the somewhat fewer pleaded in the Markwell application, by the date of the joint hearing the primary ground relied upon was based on section 47 of the Act which provides, so far as relevant, as follows:

“47(1). The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3

or any of the provisions referred to in that section (absolute grounds for refusal of registration).

Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid, if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to goods or services for which it is registered”.

5. Section 3 so far as relevant provides:

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

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

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 use made of it.”

6. It can thus be seen that the following questions could have arisen on these invalidity applications:

- (i) was the mark inherently registrable without evidence of use as at 31st October 1994?
- (ii) If it was not, was it registrable by reason of use prior to that date which had rendered the mark distinctive?
- (iii) If the mark was not registrable by reason of use in 1994, had it become registrable by reason of the fact that it had acquired a distinctive character subsequent to registration and prior to VFM’s application for invalidation in June 1999?
- (iv) If it had not acquired a distinctive character by reason of use by June 1999, had it nonetheless acquired this distinctive character by reason of use as of January 2001 when the Markwell invalidation application was commenced. It will be appreciated that, if this were the case, the VFM application would succeed but the Markwell application would fail resulting in the trade mark being removed from the register but would no doubt give comfort to Tabak and encourage them to make a further application.

7. In the event at the hearing of the applications, Mr. Bernard of FJ Cleveland, the agents acting on behalf of Tabak, was content to direct his primary argument to the first two of the questions set out above and the applications were decided on that basis.

8. Following the hearing before Mr. MacGillivray, he gave two decisions, one for each application, both of which are dated 19th April 2002. He reached the conclusion that both applications for revocation were successful under section 47(1). Mr. MacGillivray did not find that it was necessary to go on to consider any of the other grounds of objection.

9. Against those decisions Tabak have appealed to the Appointed Person and the appeal came before me on 17th October 2002. Tabak were represented by Mr. Birss of counsel and VFM and Mr. Markwell were represented, as they were before Mr. MacGillivray, by Mr. Ward of counsel. Both counsel provided me with helpful skeletons of their arguments which enabled the oral proceedings to be conducted expeditiously.

10. Mr. Birss made it plain that the appeals could be considered together and that the Markwell application contained all the relevant evidence. He contended that if the Markwell appeal was well founded then it must follow that both appeals should be allowed for the same reasons and Mr. Ward did not dissent from this. I accordingly propose to deliver one decision which will be determinative of both appeals.

11. Mr. Birss further made it plain that the only grounds of appeal related to the issue of distinctiveness under section 3(1)(b) or distinctiveness by reason of use as at 31st October 1994 pursuant to the proviso to section 3. Mr. Birss accepted that having regard to the Judgment of the Court of Appeal in Bessant v. South Cone Incorporated (The REEF trade mark) of Tuesday 28th May 2002 (neutral citation No. (2002) EWCA Civ 763), this appeal should be conducted by way of a review of the Hearing Officer's decisions and that it fell to him to identify errors of principle in those decisions or to contend that they were plainly wrong.

12. In paragraph 6 of his skeleton Mr. Birss identified what he contended to be the following material errors:

“a. As regards prima facie or inherent distinctiveness the hearing officer failed to consider the mark as a whole and made findings which were not supported by evidence

As regards the proviso, the hearing officer:-

b. failed to consider the nature of the actual use,

c. wrongly dismissed pertinent trade evidence,

d. gave undue weight to an absence of evidence from actual consumers

e. employed an inappropriate analogy (Jim's birthday)

f. wrongly thought there was a monopoly

- g. *wrongly cited the McCain case on his own initiative.*
Overall the hearing officer
- h. *Misapplied s72 of the Act and reversed the onus of proof”.*

13. Before me Mr. Birss maintained all 8 grounds and also submitted that in Mr. Ward’s skeleton no attempt was made to defend some of the reasoning of Mr. MacGillivray, Mr. Ward instead seeking to have the decision upheld for different reasons. This, Mr. Birss submitted, was a tacit acceptance that Mr. MacGillivray had fallen into errors of principle. I propose to consider each of Mr. Birss’ alleged errors of principle and, like Mr. Birss in his oral submissions, shall begin by considering (h).

Alleged Error (h). Onus of Proof.

14. Mr. Birss drew my attention to the language of sections 3, 47 and 72 I have referred to the material parts of sections 3 and 47 above.

Section 72 provides as follows:

“72. In all legal proceedings relating to a registered trade mark including proceedings for rectification of the register the registration of a person as proprietor of a trade mark shall be prima facie evidence of the validity of the original registration and of any subsequent assignment or other transmission of it”.

15. Having regard to these interrelated provisions, Mr. Birss submitted that whilst the legal onus of proving that the mark qualified for registration lay on the applicant for registration, once registered the onus then switched to the applicant for invalidation to show that the mark should not have been registered. Mr. Birss accepted that if an applicant for invalidation met this onus and the registered proprietor wished to invoke the proviso to section 47 (so as to show that the mark had achieved distinctiveness as of the date of application for invalidation), then the onus of proving this would lie on the registered proprietor. He referred me to the judgment of Jacob J. in *British Sugar plc v. James Robertson & Sons Limited* (Treat) 1996 RPC 281 at 301-2 and to the judgment of Morritt L.J. in *“Bach & Bach Flower Remedies Trade Marks”* (2000) RPC 513 at 528. I have no doubt that Mr. Birss’ submissions are correct and Mr. Ward did not contend to the contrary.

16. However, as always, care must be taken to distinguish between the legal burden of proof, which remains on a particular party throughout the proceedings and the evidential burden of proof which may shift in the course of the

proceedings. (see e.g. Lord Halsham of St. Marylebone in L.B. (Plastics) Limited v. Swish Products Limited (1979) RPC 551 at 625).

17. In a case such as the present, where the legal burden falls upon the applicant for invalidation, it is for him to adduce in the first place evidence sufficient to displace the burden placed upon him. It is always open to the registered proprietor in these circumstances to file no evidence and to submit that the burden on the applicant for invalidation has not been discharged. However it may chose to meet the applicant for invalidation's evidence with evidence of its own and to contend both that the applicant has failed to discharge the onus upon him by reason of his evidence or, alternatively, that the cumulative effect of all the evidence is such as to lead to a conclusion in the registered proprietor's favour.

18. This is the course which was adopted before Mr. MacGillivray, and indeed, in the Markwell application, evidence in reply was filed as well. Once all the evidence has been filed and the submissions made, it is for the Hearing Officer to assess the weight of the evidence as a whole. Having done so, if he is able to reach a clear conclusion in favour of either party, the existence of a legal burden of proof is irrelevant. It is only in circumstances where he remains unsure, having reviewed all the evidence, as to whether the applicant for invalidation's objection is well founded that the question of onus once again becomes material. In these circumstances, where he is unsure, section 72 directs that the benefit of the doubt be given to the registered proprietor so that the mark will remain on the Register.

19. Mr. Birss contended that Mr. MacGillivray had erred in approaching his decision on the basis that the legal onus was placed on the registered proprietor and not on the applicant for invalidation.

20. Mr. MacGilivray divided his decisions into two parts, in paragraphs 21-29 of his decision in the Markwell application (to which I shall refer throughout) he considered the prima facie case as to whether or not the mark CDCARD was inherently registrable notwithstanding the objections based under section 3(1). In paragraphs 30-45 he considered whether or not the mark was registrable by reason having become distinctive as a consequence of use prior to the date of application having regard to the proviso to section 3.

21. I can detect in his reasoning in relation to the prima facie case no support for the contention that Mr. MacGillivray wrongly assumed that the onus was upon Tabak. In any event, in paragraph 29, he concluded that registration of the mark

was objectionable having regard, inter alia, to section 3(1)(b). He reached a clear conclusion on this and thus no question of onus arose.

22. Mr. Birss directed most of his submissions on this aspect of the case to the way in which Mr. MacGillivray approached the question of distinctiveness through use and submitted that Mr. MacGillivray had, throughout, wrongly considered that the onus lay on the registered proprietor. I do not read the decision in this way. Mr. MacGillivray assessed the evidence filed on behalf of both parties and gave reasons why he placed more weight on some evidence than other. He reminded himself in paragraph 44 that section 72 of the Act placed the onus on the applicant for invalidation to show that the registration was invalid. He concluded on the basis of all the evidence filed that the mark had not acquired the necessary distinctive character. Again therefore it is apparent that this is not a case where, having assessed all the evidence, the Hearing Officer was left in doubt as to the outcome. There was thus no need for him to refer to the onus of proof in reaching his final conclusion. I can detect no error of principle on the part of Mr. MacGillivray in relation to the onus of proof. This contention of Mr. Birss' accordingly fails.

The Prima Facie Case – Section 3(1)(b)

Alleged Error (a) – failure to consider the mark as a whole.

23. So far as concerns prima facie or inherent distinctiveness, Mr. Birss contended that there was an error of principle on the part of the Hearing Officer in that he failed to consider the mark as a whole and made findings which were not supported by the evidence. He contended that as at the date of application there was no evidence that the mark CDCARD was in fact in ordinary use as a description or would be regarded as such. He contended that the totality of the two conjoined elements, “CD and card” in the form of a conjoined word in block capitals was such as to give the mark distinctiveness even were there to be some substance in the suggestion that the expression “CD card” would be descriptive.

24. I do not believe that the Hearing Officer fell into any error in this regard. I agree wholeheartedly with his conclusion and, even if I did not, I can identify no error of principle in his approach. He referred to the Baby-Dry case (*Procter & Gamble v OHIM*) [2002] IP&T 302 and indeed set out paragraphs 37-40 of the Judgment of the ECJ. This constitutes helpful guidance and I believe it is useful also to have regard to paragraph 42 of that Judgment which states:

42. *“In order to assess whether a word combination such as “Baby-Dry” is capable of distinctiveness, it is, therefore, necessary to put oneself in the shoes of English-speaking consumers. From that*

point view, and given that the goods concerned in this case are babies nappies, the determination to be made depends on whether the word combination in question may be viewed as a normal way of referring to the goods or of representing their essential characteristics in common parlance?”

25. Mr. Birss contended that the normal way of referring to the type of goods the subject of the present registration would be “compact disc greetings cards”. He went on to contend that anyone seeing CDCARD would see it as a trade mark in that it is an unusual juxtaposition of the acronym CD and the letters CARD, with no spacing and the use of capitals would confirm it to be used as a badge of origin.

26. Mr. Ward accepted that the descriptor “compact disc greetings cards” was an apt (if sesquipedalian) descriptor. He contended that a more succinct descriptor would be “CD cards”.

27. Mr. Birss did not suggest that the initials CD were not in 1994 a well known abbreviation for compact discs. The expression CD was at that time and still is part of the vernacular. Equally, I am satisfied, as was Mr. MacGillivray, that although the generic class of goods might be said to be “greetings cards”, an equally apt description is the word “cards” simpliciter. One speaks of birthday cards, get well-cards and condolence cards – the latter two perhaps not falling naturally within the expression “greetings cards”. Mr. MacGillivray dealt with the matter in paragraphs 25-27

“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. Greeting 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 relative's 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 i.e. 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. Mr. Birss criticised him for failing to consider the mark as conjoined capitals. He contended that even if the expression "CD card" was a natural description, the effect of combining the two expressions and using capitals made the visual effect very different.

29. I do not believe that Mr. MacGillivray lost sight of this in reaching his conclusion that the mark was an obvious descriptor. Once one has concluded, as he correctly did, that the expression "CD card" is an obvious descriptor, then one has to consider whether the alteration to "CDCARD" is sufficient to render the mark prima facie inherently distinctive. There may be examples where the joinder of two words or expressions or the use of capitals will serve to displace the naturally descriptive meaning. Each case must be considered on its own. In the case of "CDCARD", orally the mark will be pronounced no differently from CD card. Indeed Mr. Birss did not suggest that the mark "CDCARD" would be pronounced otherwise than as "CD card". Equally, the idea of the mark will remain the same. Whilst the visual impression may be slightly different, I am satisfied that Mr. MacGillivray's conclusion that the conjoining of the elements did not have any impact on the relevant question was undoubtedly correct. There is no error of principle in Mr. MacGillivray's approach and, even if there had been, I, like him, would have concluded that the mark as registered was an

obvious descriptor and therefore was, without evidence of use, devoid of distinctive character within the meaning of section 3(1)(b).

Distinctiveness by reason of use – The Proviso to Section 3

30. Mr. Birss then turned to the Hearing Officer's decisions in relation to use and, as indicated above, contended that the use as at the date of application (31st October 1994) was more than sufficient to render the mark distinctive. Mr. MacGillivray applied the test laid down by the ECJ in *Windsurfing Chiemsee* [1999] ETMR 585. Mr. Birss did not suggest that he was in error to do so. Mr. Birss did however identify what he contended were seven further errors of principle on the part of Mr. MacGillivray which he asserted required me to visit the matter afresh. (Errors (b)-(h) above). His first objection (Error (b)) was that Mr. MacGillivray had failed to consider the nature of the actual use. For reasons which will appear hereafter I propose to deal with this objection last.

Alleged Error (c) – Trade Evidence

31. Mr. Birss criticised Mr. MacGillivray for wrongly dismissing pertinent trade evidence. He used the evidence of Mr. Rodrigues who swore a declaration on 2nd May 2000 as an example. Mr. Rodrigues had been involved with a publication called "Greetings Today" (previously "Greetings") since 1992. He has dealt with The CDCARD company (Tabak) since 1993 and gives evidence that the concept of greetings cards containing compact discs was created by Tabak in 1993. He continues as follows:

"4. With full knowledge of this industry we have never seen the word CDCARD being used by other companies which issues their own range of compact discs cards until recently.

5. If another company uses the word CDCARD it will confuse and mislead the public and the industry because people associate that name with The CDCARD Company only and it is a registered trade mark".

32. Mr. MacGillivray dealt with this type of trade evidence in paragraphs 37 and 38 of his decision where he stated:

"37. Mr. Ward criticised 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.”*

33. Mr. Birss contended that Mr. MacGillivray was wrong not to place weight on trade evidence of this sort since Mr. Rodrigues, by reason of his experience in the industry, was in a good position to assist the tribunal as to the public perception.

34. I do not doubt that a properly qualified expert can assist a tribunal such as the Registry into a better understanding of the public perception. There are however two important requirements for this, first the expert must be in a position to educate the tribunal on matters outwith its own knowledge and, secondly, the expert must adduce evidence to satisfy the tribunal that he or she is in that position. The mere fact that somebody has been in the trade for some time does not necessarily equip him or her to assist the tribunal. In the final event it is for the tribunal to reach a conclusion on the evidence and the tribunal cannot delegate that function to a witness, no matter how well qualified.

35. In *The European Limited v. The Economist Newspaper Limited* (1998) FSR 283 at 291 Millett L.J. observed:

“The function of an expert witness is to instruct the Judge of those matters which he would not otherwise know but which it is material for him to know in order to give an informed decision on the question which he is called on to determine. It is legitimate to call evidence from persons skilled in a particular market to explain any special features of that market of which the judge might otherwise be

ignorant and which may be relevant to the likelihood of confusion. It is not legitimate to call such witnesses merely in order to give their opinion whether the two signs are confusingly similar. They are experts in the market, not on confusing similarity In the end the question of confusing similarity was one for the judge. He was bound to make up his own mind and not the leave the decision to the opinion of the witnesses”.

36. In the present case the question is whether the use has caused a descriptive mark to become distinctive. Again that is a matter for the tribunal. Those with experience in the trade may be able to assist the tribunal in reaching a decision in an appropriate case.

37. Here Mr. MacGillivray did not find the evidence of Mr Rodrigues and the other trade witnesses of any great assistance to him. The evidence shows that the CDCARD company was the only company to use the mark CDCARD prior to 1994. This much was not in dispute. However Mr. Rodrigues gives no evidence as to why he is in a position to assist the tribunal on any other aspect of the case and purports in paragraph 5 to answer the very question that the tribunal itself had to answer. There is in my judgment nothing in Mr. Birss’ criticism of Mr. MacGillivray’s approach to the trade evidence.

Alleged Error (c) – Absence of Consumer Evidence

38. Mr. Birss’ next objection was that he contended that Mr. MacGillivray gave undue weight to an absence of evidence from actual consumers. This was a reference to paragraph 41 of Mr. MacGillivray’s decision where he stated

“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.”

39. Having, correctly in my view, declined to place any great weight on the trade evidence, it is wholly correct to say that there was no directly relevant evidence on how the public would perceive the mark. Mr. Birss contended that the trade evidence would give the tribunal a proper perspective of the particular trade in question. Maybe it would, in a case where the trade evidence was of a

sufficiently detailed nature to enable to tribunal to gain an insight into the trade which it did not possess. However Mr. MacGillivray did not discount the trade evidence merely because it was trade evidence. He discounted it because of the nature of the evidence given. There was no error of principle in this. It is correct that in paragraph 51 of the *Windsurfing Chiemsee* judgment the ECJ makes it plain that statements from chambers of commerce and industry or other trade and professional associations may be of assistance in assessing the distinctive character of the mark. This does not however mean, in circumstances where the actual statements obtained do not assist the tribunal, that weight should be attached to them.

Alleged Error (d) - Jim's Birthday

40. Mr. Birss' objected to the fact that Mr. MacGillivray employed an analogy in paragraph 26 of his decision which I have set out above. Mr. Birss contended that Mr. MacGillivray assumed in asking that question that the mark CD CARD was being used as a descriptor and not to refer to a product emanating from the registered proprietor. Mr. Birss suggested that the public might equally ask "Please may I have a Coca Cola" – a plain reference to the origin of the goods.

41. I think, with respect, that Mr. Birss is missing the point here. In paragraph 26, Mr. MacGillivray was considering the question of whether or not, absent use, the expression CD CARDS would be seen as an alternative to CD Greetings Cards and concluded that it would. He was not considering whether, by reason of use, the mark had become distinctive. I therefore do not believe that there is any substance in this complaint of Mr. Birss'.

Alleged Error (f) - Monopoly

42. His next ground of objection arose from paragraphs 39 and 40 of Mr. MacGillivray's decision where he referred to a de facto and legal monopoly. He stated:

"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 descriptors 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.”*

43. In order to place these observations in context, it is necessary to record that in paragraph 35 of his decision Mr. MacGillivray stated as follows:

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 Morritt 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”.

44. It is well known that the question of distinctiveness cannot be decided on the basis of use alone. The use must be use in a trade mark sense so as to indicate the origin of the goods in question in the registered proprietor. Mere use does not prove this. It is especially important to be cautious in reaching the conclusion that use has in fact been trade mark use in circumstances where the use of a prima facie

descriptive term has been by one trader alone. In these circumstances it may well be that the words in question have come to be associated with the manufacturer of the goods because they are the only source of the goods. That does not necessarily mean that the words have lost their descriptive meaning. In paragraphs 39 and 40 Mr. MacGillivray was, in my judgment, reminding himself of the importance of having regard to the actual use of the mark rather than accepting that the fact of use in the absence of competition might, on its own, be sufficient. I accept that his references to de facto and legal monopolies are, taken out of context, potentially misleading. There was (at the relevant date) no legal monopoly. There is always likely to be a de facto monopoly in cases where the contention is one of distinctiveness by reason of use since it is unlikely that a party would be able to show distinctiveness in fact if others had been using the expression in question descriptively.

45. In this respect there is therefore some substance in Mr. Birss' criticism but I do not believe that, when Mr. MacGillivray's observations are taken in context, it can be said that he has fallen into an error of principle. He has correctly directed himself to be cautious in assuming that mere use constitutes distinctiveness.

Alleged Error (g) – McCain Oven Chips

46. Before I revert to Mr. Birss' primary contention that Mr. MacGillivray failed to consider the nature of the actual use, I should consider his submission that Mr. MacGillivray's reliance upon the decision in *McCain International Limited v. Country Fair Foods Limited* [1981] RPC 69 lead him into error. In that case the products in question were labelled "McCain oven chips" so that the trade mark was plainly "McCain" and the goods were "oven chips". Mr. Birss contended that there was no analogy with the present case since the products were not labelled e.g. Tabak CDCARD

47. It is plain that there is no direct analogy between the facts of the McCain case and the facts of this case. There were no capital letters and there was no conjoining of the expressions. Nonetheless in paragraph 8 of his decision Mr. MacGillivray drew attention to the fact that in much of the promotional material relied upon by Tabak, the reference to CDCARD was as part of a device mark including also the expression THE CDCARD COMPANY. In these circumstances there was substance in the contention that CDCARD was a descriptor with the designator of origin being the full expression THE CDCARD COMPANY. The point being made by Mr. MacGillivray was that if the expression CD card did not immediately convey to the relevant consumer the nature of the goods, the way in which it had been used would serve to accentuate

the descriptive connotation. In this respect there is an analogy with the McCain case where “oven chips” were unknown prior to McCain beginning to market them.

48. Whilst the analogy is therefore not a direct one, it is not inappropriate and I do not believe that Mr. MacGillivray fell into any error in being reminded of the McCain case.

Alleged Error (b). Nature of the actual use

49. This brings me finally to consider Mr. Birss’ primary objection which was that the Hearing Officer failed to consider the nature of the actual use. As indicated above, what happened in this case was that the Applicants for Invalidity filed evidence in the form of a declaration from Mr. Markwell which not only included primary evidence of use but also exhibited the declarations made by Mr. Winsor in 1995 and 1998 in support of the allegation of distinctiveness as at the date of application. Tabak did not content themselves with merely suggesting that this evidence failed to discharge the onus, they filed evidence of their own and evidence in reply was filed in the Markwell invalidity application. It was the totality of this evidence that Mr. MacGillivray had to assess in reaching his conclusion as to whether or not a prima facie descriptive mark had become distinctive by October 1994. He included in his decision in paragraphs 4-16 a comprehensive summary of the evidence filed by the parties.

50. Mr. Birss contended that although Mr. MacGillivray had cautioned himself that mere use does not prove that a mark is distinctive, he failed to ask whether the way in which Tabak had used the mark was as an indicator of origin. Mr. Birss contended that had the Hearing Officer considered how the mark had been used and the extent of that use he would have concluded that it was used as a badge of origin and was distinctive.

51. I am unable to accept this criticism. The way in which Mr. MacGillivray approached the matter by considering first the nature of the evidence that had been filed and then the law applicable to considering the issue before him placed in a good position succinctly to answer the question. Once he had determined that the trade evidence was of little assistance, the answer to the question, has the mark acquired a distinctive character fell to be answered with a simple yes or no. He concluded that it had not. I can identify no error of principle in his approach but I can well understand why Tabak feels aggrieved at this conclusion when it differs from the conclusion of another official at the Registry who allowed the mark to be registered on the basis of the declarations filed by Mr. Winsor. Because of this

and because both parties had to take me through the evidence in some detail in order to explore whether there was substance in Mr. Birss' complaint, I propose, briefly, to give my own reasons for confirming Mr. MacGillivray's conclusion.

52. The trade mark CDCARD was first used in the United Kingdom in December 1992. The date of application was October 1994. There was thus a period almost two years during which the public could have been educated that the mark was not a mere descriptor but was an indication of origin in Tabak. During this period Tabak manufactured and sold approximately 400,000 units under the trade mark at a retail value of £2 million. The goods have been widely sold in outlets normal for greetings cards and about £90,000 was spent on advertising and promotion. The documents exhibited show the use of the expression CDCARD, both with the letters CD accentuated and without, usually in close proximity to the device and the words THE CD CARD COMPANY. This does not help to answer the question as to how the mark itself was perceived by the public.

53. However in argument, both parties focused upon some articles in exhibit TAW4 to Mr. Winsor's 1995 Declaration.

54. The first was an article from the journal "The Gift Buyer International" of February 1995 which had an article entitled "Greeting Cards with CDs". This article identified "The CDCard Company" as having launched a range of greeting cards combining nature images with relaxation CDs. It records various comments made by Mr. Winsor. Throughout the article the products are referred to as the "CDCards" or the "CD Cards" or the "CD cards". The actual trade mark is not used. One part states as follows:

"He is also undertaking card customisation for such companies as IBM, which find a CD card with an appropriate message to be the ideal corporate gift".

Mr. Ward contended, and I agree, that this was a indication that the journalist writing the article saw the expression CD card as a descriptor and had not perceived that in fact it was supposed to be used as a trade mark.

55. Similar comments can be made in relation to an article by Elizabeth Topping entitled "Monnet and Mozart" in the journal "CD Publishing" of January 1995. Again the product was referred to as "CD Card" and two passages are, I believe instructive.

"However, says Winsor, the CD Card is more successful because it is neither just CD packaging, nor is it just a greeting card with a

gimmick. It is the successful merging of two major retail industries”....

“Will the CD Card be one of those products that comes out at a relatively low price to test the market and then, once successful, suddenly becomes far more expensive”.

56. In both passages it is apparent to me that the author perceived that the expression CD Card was an appropriate description for the product and was not using the expression as an indication of origin.

57. Where a mark is prima facie descriptive, and where, as here, the contention is that the precise form in which it is registered assists in rendering the mark distinctive rather than descriptive, evidence such as this does not assist the registered proprietor. On the contrary, it shows a propensity to use the mark descriptively and not distinctively. For these reasons, had I concluded that Mr. MacGillivray made any errors of principle, I would, on reviewing the evidence as a whole, have reached the same conclusion.

58. However for the reasons given, I am satisfied that he did not fall into any error of principle and was not plainly wrong. These appeals must accordingly be dismissed.

59. Both parties were agreed that costs should follow the event in the normal way. Mr. MacGillivray ordered a contribution to the Applicants for Invalidation's costs in a total sum of £2000 for both applications. I think it would be correct to identify this as one of the heavier applications for invalidity, a good deal of evidence was filed and the legal submissions were not wholly straightforward. I was greatly assisted by the skeleton arguments and by the oral submissions of counsel. Taking all these matters into account I am satisfied that a further award of £2000, jointly to the Applicants for Invalidation, making £4000 in all, would be appropriate. This sum is to be paid within the time limit prescribed by Mr. MacGillivray.

Simon Thorley Q.C.
25th October 2002