

# O-078-11

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NUMBER 2481567

BY O2 HOLDINGS LIMITED

TO REGISTER A SERIES OF TRADEMARKS IN CLASSES 9, 38, 41 AND 42

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## DECISION

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### **INTRODUCTION AND SUMMARY**

1. O2 Holdings Limited (“the applicant”) appeals against the Decision of Mr Nathan Abraham for the Registrar dated 27<sup>th</sup> July 2009 (“the Decision”) in which he partially refused the application made on 5 March 2008 for all the goods and services listed in paragraphs 23 and 33 of the Decision.

2. He refused registration under s.37(4) of the Trade Marks Act 1994 (“the Act”) on the grounds that the mark applied for did not comply with ss. 3(1)(b) and 3(1)(c) of the Act. As regards certain goods in class 9, he held that an objection based on section 3(1)(c) applied. As regards certain other goods and services in classes 9, 38 and 42, he held that an objection based on section 3(1)(b) applied. He allowed registration for the remainder.

3. The mark applied for is as follows:



4. The mark was originally applied for in respect of a large number of goods and services in classes 9, 38, 41 and 42. These are recorded in the Decision and extend very broadly. The focus is upon telecommunications and related goods and services but the specifications encompass among other goods sunglasses and fire-extinguishing apparatus. It became clear at the hearing that the goods and services of real commercial importance to the applicant were all related to telecommunications and, more specifically, SIM-only mobile phone packages.

5. The Hearing Officer clarified the nature of the Registrar's objection at the *ex parte* hearing. He said that it related only to products which were either (i) SIM cards per se or (ii) other telecommunications apparatus and related services which rely upon the use of SIM cards. The goods and services in respect of which the objection was maintained are recorded in paragraph 4 of the Decision. No evidence of acquired distinctiveness was adduced and the Hearing Officer therefore only considered the

inherent distinctiveness case. He considered the objections under section 3(1)(b) and section 3(1)(c) separately, as he was bound to do, and this aspect of his overall approach is not criticised on appeal.

### **The arguments on this appeal**

6. At first sight, the arguments on this appeal appear straightforward. They were attractively presented by Mr J Stobbs of Impulse for the applicant and Dr W J Trott for the Registrar.

7. First, the applicant says that the Hearing Officer was wrong in his evaluation of the mark. He ought to have held that it was distinctive for all of the goods and services. In particular, he ought to have held that it was sufficiently stylised not to be descriptive (or otherwise non-distinctive). Second, it says, that even if not distinctive for all goods and services, the Hearing Officer was wrong in rejecting the mark to the extent that he did. He ought to have held that it was distinctive for at least some. In relation to this later point, the Registrar's representative suggested at the hearing that, if anything, the Hearing Officer had been over-generous in his application of section 3(1)(c) and could have gone further in refusing registration on that basis.

8. The applicant's representative expressed the view that the arguments in the case were "rather subtle" and that this was an "interesting mark". It is true that concealed within the argument is a more fundamental point about how the Registrar should assess descriptiveness of a mark and, in particular, the extent to which he can perform it without evidence.

### **Section 3(1)(c)**

9. I start, as did the Hearing Officer, with section 3(1)(c) of the Act. It provides as follows:

3(1) The following shall not be registered:

(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.

10. In *OHIM v Celltech* Case C-273/05 P [2007] ECR I-2883, the CJEU said of the equivalent provision in the Community Trade Mark Regulation at paragraph [75]:

“Article 7(1)(c) of Regulation No 40/94 pursues an aim which is in the public interest, which requires that signs or indications which may serve, in trade, to designate characteristics of the goods or services for which registration is sought, may be freely used by all. That provision accordingly prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (Case C-173/04 P *Deutsche SiSi-Werke v OHIM* [2006] ECR I-551, paragraph 62 and the case-law there cited).”

11. Article 3(1)(c) of the Trade Marks Directive, which is in substantially the same terms, must be interpreted in accordance with this objective. Section 3(1)(c) of the Act, which gives effect to that provision of the Directive must be interpreted accordingly.

### **The mark**

12. The first issue on this appeal relates to the Hearing Officer’s evaluation of the mark. The Hearing Officer considered the reaction of the average consumer to the mark. He held (Decision, para.12):

“...the relevant consumer would immediately perceive the sign applied for as nothing more than a two-dimensional representation of an unmarked SIM card.”

13. He held that the mark consisted exclusively of the silhouette of a SIM card. He said that he was “positive that the mark is intended to represent a SIM card as it appears at the point of sale” (Decision, para.18). He gave reasons for reaching this conclusion and concluded that “the mark constitutes a two-dimensional representation of a SIM card

as it appears in trade” (Decision, para.20). In my judgment, he was plainly right. The mark is, in effect, a representation of a SIM card, albeit in somewhat skeletal form.

### **The applicant’s argument**

14. The applicant accepts that the mark does represent (“on one level”) a SIM card. The applicant does not take issue with the factual determination made by the Hearing Officer as to the likely perception of the average consumer. However, it submits that the representation of the SIM card is unusual and is merely allusive to a SIM card. In particular, the applicant contends that the mark is a stylised representation not of the SIM card itself but of the space between the card and the surrounding matrix in which such cards are most usually supplied: the mark is therefore a negative silhouette of a SIM card, not the SIM card itself.

15. The applicant relies heavily on the Decision of Simon Thorley QC, sitting as the Appointed Person, in *Lloyds Pharmacy’s Application* (O/201/02). It submits that the Hearing Officer wrongly evaluated the mark for the purpose of considering whether it was descriptive. In *Lloyds Pharmacy*, the Registrar had concluded that a stylised representation of a pestle and mortar surrounded by a circle could not be registered in respect of goods of a nature which would be sold in a chemist’s shop, transport relating to pharmaceutical products and to pharmacy services. The Hearing Officer took the view that the device of pestle and mortar was a symbol which indicated the nature of the goods and services provided by pharmacists and chemists and that the circle around this representation added nothing but a basic border. On that basis he held that the degree of stylisation was so small and insignificant that the mark would be seen by a prospective purchaser as an ordinary representation of a pestle and mortar which he considered to be totally non-distinctive. Registration was therefore refused. On appeal to the Appointed Person, Simon Thorley QC held that, in the light of the approach of *Baby Dry* (*Procter & Gamble Company v. OHIM* Case C-383/99 [2001] ECR I-8251; [2002] RPC 17), he should consider whether the representation may be viewed as a normal way of referring to pharmaceutical services. He held that it was not and, in so doing, he took account of the stylisation of the mark which, he said, impressed him as being “both eye-catching

and...minimalist, but nonetheless distinctive”. He held that it was not merely a pestle and mortar. Accordingly the appeal against refusal of registration succeeded.

16. The applicant submits that there is no difference from the present case: here too, it is said, there is a stylised, minimalist but nonetheless distinctive representation of a SIM card, registrable for all goods and services. The applicant contends that the Hearing Officer should have held that, while allusive to a SIM card, it was materially different from a normal or standard representation of a SIM card and should have been held to be distinctive on that basis. I am unable to accept that submission.

17. First, the mark represents an immediately recognisable way, albeit not the only way, in which SIM cards are presented to the public. It is the outline of a SIM card as it appears in ordinary sale. More strictly, it is the outline of a mini-SIM card which is the most popular in use for mobile phones today than the larger size. Indeed, any mini-SIM card sold over the counter is almost certain to bear the mark in the sense that it will have precisely the same outline (in “blank space”) around the card itself.

18. It is a matter of common knowledge, of which notice may properly be taken (as the Hearing Officer, in effect, did) that SIM cards are ubiquitous in mobile telephones and are often sold separately from the phones themselves. The Hearing Officer’s determination that it is highly feasible that such goods could be sold as individual items is, in my judgment, unimpeachable. Moreover, even if I had doubts as to the correctness of the Hearing Officer’s conclusion on this matter, I would not consider that this was a factual determination with which it was right to interfere upon appeal.

19. Before me, the Registrar’s representative provided further material from the internet, without objection from the applicant. These were web-site print outs showing a range of representations more or less stylised of SIM cards. That supports the Hearing Officer’s determination.

20. Secondly, the extempore decision in *Lloyds Pharmacy* did not articulate any new proposition of law or set out a general approach which the Registrar was obliged to take to facts of a given kind. It was an evaluation on its facts, in the wake of the judgment of the ECJ in *Baby Dry* (a case which represents the low water mark of ECJ jurisprudence as to the level of distinctiveness required for registrability). Mr Thorley QC declined to lay down strict guidance as to how to evaluate distinctiveness and emphasised that the Hearing Officer in a case of this kind had to use his own judgment in default of evidence as to what a word or a device meant or would indicate to the relevant consumer.

21. Third, this appeal is by way of review rather than re-hearing (*Dyson Limited's Trade Mark Application* [2003] RPC 821). An appellate court should “show a real reluctance, but not the very highest degree of reluctance to interfere in the absence of a distinct and material error of principle” (*REEF Trade Mark* [2003] RPC 101). In *Bongrain's Trade Mark* [2004] EWCA 1960 Jacob LJ giving the leading judgment in the Court of Appeal said at [11]:

“It was also accepted that the Court of Appeal will not interfere with an assessment of distinctiveness by the lower court unless there is a clear error of principle. Distinctiveness, like obviousness in the case of patents, is subject to the *Biogen* appeal principle [1997] RPC 1 at p.45.”

22. Having regard to those principles, I am reluctant to interfere with the Hearing Officer's assessment of the critical issue of what the mark would denote. I have not been able to detect any error in the Hearing Officer's evaluation of the nature of the mark (esp. in Decision paras. 16-18) as to how the average consumer (at least of mobile telephone related goods and services). It provides no general warrant for this tribunal taking a different view.

23. Fourth, it is worth adding that there is nothing particularly stylised about the mark in this case. Unlike *Lloyds Pharmacy*, where at least it could be said that the representation was not of any given pestle and mortar, the mark in question is more or

less exactly what a person would see if he held a typical SIM-card when purchased up to the light. To that extent, the mark actually depicts the surround of a SIM-card as sold. Some care must be taken with arguments that stylisation (particularly by simplification) automatically confers distinctiveness. In certain circumstances, it may. In others it would not. On one view, the conventional symbol for a where a battery goes in electrical equipment is stylised since it is not an actual depiction of any given battery. Nonetheless, it would be hard to see how such a mark could be distinctive in respect of battery-operated apparatus. The average consumer of any such apparatus would see it as simply an indication of the battery compartment.

24. For all those reasons, I reject the primary argument of the applicant concerning the Hearing Officer's evaluation of the mark.

#### **Other criticisms of the Hearing Officer's approach to evaluation of the mark**

25. The applicant makes a number of other related criticisms of the Decision in the Grounds of Appeal, skeleton and oral submissions. They are applicable to the Decision overall and it is therefore convenient to deal with them now. Two can be dismissed briefly. The third requires greater analysis.

26. First, the applicant submits, that the Hearing Officer had "overreached" the information before him in concluding that the mark was nothing more than a two-dimensional representation of a three dimensional SIM card. That criticism is not justified for the reasons given above. The material before him provided ample basis for his conclusion.

27. Second, the applicant submits that the Hearing Officer placed erroneous reliance on *Doublemint*, Case C-191/01 [2004] RPC 18. It is argued that the Hearing Officer was wrong to conclude, in the light of the principles from that case, that the mark "exclusively" designated a characteristic of goods or services. I am not persuaded that the Hearing Officer committed any such error. It is of course true that a mark can be registered even if it contains some reference to the goods or services for which it is



proposed to be used: allusiveness is not to be equated with non-distinctiveness. But that proposition has no application in a case such as the present where the mark in question is (and has been found to be) a depiction of equipment used in goods for which registration is sought or in conjunction with services for which registration is sought.

28. Third, the applicant submits that the Hearing Officer had no sufficient evidential basis for concluding that images of SIM cards would be used as functional symbols indicating (for example) where a SIM card should be placed in apparatus. This objection was advanced in the applicant's skeleton as applicable to the section 3(1)(b) argument but I understood it to be put forward more generally. It boils down to an objection that, in the absence of such evidence, the Hearing Officer was not entitled to reach a conclusion on this issue because the matter was not one of which judicial notice may be taken. Underlying this point is a challenge to the Hearing Officer's approach to evaluating distinctiveness of a sign with respect to particular goods and services. It raises the question of what material the Registrar may properly rely on in determining that a mark is devoid of distinctive character and/or is descriptive. In considering whether the Hearing Officer was right to decide the matter as he did, without evidence, it is therefore necessary to examine in somewhat greater detail what issues the Hearing Officer can determine in that way, in the context of a distinctiveness evaluation.

### **Distinctiveness**

29. The examination starts with the nature of the objection of lack of distinctiveness.

30. First, in *Linde v Deutsches Patent-und-Markenamt*, Joined Cases C-53-55/01 [2003] RPC 45 the Court of Justice said, of an objection under the equivalent of section 3(1)(b) of the Act:

"40. For a mark to possess distinctive character within the meaning of that provision it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from products of other undertakings (see *Phillips*, para.[35]).

41. In addition, a trade mark's distinctiveness must be assessed by reference to, first, the goods or services in respect of which registration is sought and, second, the perception of the relevant persons, namely the consumers of the goods or services. According to the Court's case law, that means the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect (see Case C-210/96 *Gut Springenheide and Tusky* [1998] ECR I-4657, para.[31], and *Phillips*, para.[63])."

31. Second, one of the principal objectives of the EU trade mark scheme is that registered marks should provide a guarantee of origin (see 10<sup>th</sup> Recital to the Directive "so as to guarantee the trade mark as an indication of origin"). Authorities reinforcing the requirement that the mark must provide such a guarantee are too numerous to mention. Thus, it is no answer to a non-distinctiveness objection that a few people might not recognise the sign in question as descriptive of the goods or services or characteristics of them. Marks are not to be registered which, to use historic parlance, cause the average consumer to wonder whether they denote origin.

32. The importance of the unambiguous guarantee has been emphasized on more than one occasion. Morritt LJ said in *Bach and Bach Flower Remedies Trade Marks* [2000] RPC 513 at 529:

"If to a real or hypothetical individual a word mark is ambiguous in the sense that it may be distinctive or descriptive then it cannot comply with the requirements of the Act for it will not provide the necessary distinction or guarantee."

33. The fact that it is not necessary for a finding of non-distinctiveness for the entire population to find the mark descriptive was also reflected in the judgment of Chadwick LJ who said that the distinctiveness test (in that case under section 1(1) and 3(1)(a) of the Act) would not be satisfied:

“...if consumers of the relevant product who are reasonably well informed and reasonably observant and circumspect, or at least a significant proportion of such consumers, would regard the words or word as generically descriptive; so that they would find it impossible to say that the words or word identify, for them, the goods as originating from a particular undertaking”

34. Thorpe LJ agreed with both judgments. Although not a case concerning section 3(1)(b), in my view those observations are equally apt in the context of an evaluation under that section.

35. Third, in considering whether a sign is descriptive or distinctive, the relevant tribunal is obliged to scrutinize a mark with care to ensure that marks which do not denote origin are not registered. An evaluation of distinctiveness involves no presumption either way. There is no burden for the Registrar to discharge to justify a decision to refuse registration. The Registrar must

“...make a judgment as to the meaning that would be conveyed to members of the public by the particular mark in question” (*EUROLAMB* [1997] RPC 279).

36. Fourth, in considering a section 3(1)(c) objection, the Registrar must assess not only whether a sign is in descriptive use at the date of application but whether, if it were to be used for the goods or services in question, it would be descriptive. The Court of Justice said in *Doublemint* at [32] of the equivalent provisions in the Community Trade Mark Regulation, to refuse registration of a mark:

“...it is not necessary that the signs and indications composing the mark that are referred to in that article actually be in use at the time of the application for registration in a way that is descriptive of goods or services such as those in relation to which the application is filed or of characteristics of those goods or services. It is sufficient, as the wording of that provision itself indicates, that such signs and indications could be used for such purposes. A sign must therefore be

refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned.”

37. It was made clear in *Koninklijke KPN Nederland* Case C-363/99 [2004] ECR I-1619 (*POSTKANTOOR*) that this approach applied identically to Article 3(1)(c) of the Trade Marks Directive. There is no reason, in principle, for taking a different general approach to section 3(1)(b) on this issue as to section 3(1)(c) of the Act. It is not an answer to an objection that a mark is devoid of distinctive character that no-one is yet using it or signs like it in an origin-neutral way (to use the terminology of *Quick Wash Action* BL 0/205/04) (or at all) in relation to goods or services for which it is proposed to be registered.

38. Summarising, the Registrar must examine the mark to determine whether the mark in question *if* used in relation to the particular goods and services in question *would* guarantee origin, having regard to the *presumed* expectations of the *average consumer* of those goods and services. Although, on one view, the Act requires the Registrar to make a determination of fact, the highlighted words illustrate that the factual determination required is of a particular kind. In some cases (see *Bongrain*), it has been referred to as a “value judgment”. That is an elegant way of describing a factually-informed determination of notional issue. Determination of such an issue does not require a decision as to whether, to any actual consumer, the mark was distinctive or non-distinctive, any more than a determination of obviousness of a patent requires a decision as to whether the invention was in fact obvious to any actual skilled person at the priority date. Evidence of the actual is neither necessary nor sufficient for the determination in question.

### **Evidence**

39. So what of cases in which there is no sufficiently specific evidence or no evidence of a given kind or the evidence is subject to potential criticism? To what extent can a tribunal make up its own mind? A number of authorities have touched on the extent to

which well known facts may be taken into account. What follows is by no means exhaustive but is intended to outline the main points of reference.

40. First, it is well established in the jurisprudence of the General Court of the EU that, in considering relative grounds of challenge, the Boards of Appeal may base their decisions only on the facts and evidence which the parties have presented. However, the restriction of the factual basis of the examination by the Board of Appeal does not preclude it from taking into consideration, in addition to the facts expressly put forward by the parties to the opposition proceedings, facts which are well known, that is, which are likely to be known by anyone or which may be learnt from generally accessible sources (see Case T-185/02 *Ruiz-Picasso and Others v OHIM – DaimlerChrysler (PICARO)* [2004] ECR II-1739, paragraphs 28 and 29 and the case-law cited, and *Aprile*, paragraph 71). Hence the warrant for reference to works such as dictionaries and the internet in appropriate cases. That said, the General Court has criticized the Boards of Appeal of OHIM for conducting and relying on their own internet searches in respect of material which was not well known: see Case T-222/09 *Ineos Healthcare Ltd v. OHIM* (9<sup>th</sup> February 2011). It might be said that there is no reason in principle why a similar approach should not apply in considering the question of distinctiveness.

41. In the context of an evaluation of distinctiveness, the Court of Appeal has referred to the requirement that a fact to be “notorious” before judicial notice can be taken of it (see *Perfetti SpA’s TM* [1999] EWCA Civ 1766).

42. More generally, there are observations in the cases which suggest that the further the domain in question lies from the everyday experience of the decision-maker, the more evidence is required before a determination can be made of how the mark would be regarded by the average consumer. Thus, in *GE Trade Mark* [1973] RPC 297, a case decided under the Trade Marks Act 1938, Lord Diplock said, albeit of an evaluation of confusing similarity not lack of distinctiveness, at 321:

"My Lords, where goods are of a kind which are not normally sold to the general public for consumption or domestic use but are sold in a specialised market

consisting of persons engaged in a particular trade, evidence of persons accustomed to dealing in that market as to the likelihood of deception or confusion is essential. A judge, though he must use his common sense in assessing the credibility and probative value of that evidence is not entitled to supplement any deficiency in evidence of this kind by giving effect to his own subjective view as to whether or not he himself would be likely to be deceived or confused... But where goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a "jury question". By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced, but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

The question does not cease to be a "jury question" when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge's approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself."

43. That principle was applied in the context of the 1994 Act in *esure v. Direct Line* [2008] EWCA 842 where the Court of Appeal accepted the argument that a judge was entitled to make a decision as to whether there was a likelihood of confusion based on his own experience, even in the absence of evidence.

44. Likewise, in *Bach and Bach Flower Remedies Trade Marks* [2000] RPC 513 all members of the Court of Appeal were of the same mind that repetitious evidence from individual consumers was unlikely to assist the court in making a determination of whether the mark in question would identify for them the goods as originating from a particular undertaking.

45. In other contexts involving the use of signs in trade in which a decision is called for as to the reaction of a notional average consumer (or similar), such as passing off and the evaluation of claims made under the misleading advertising legislation, courts have often said that it was unnecessary to have actual evidence from confused persons before deciding whether a sign was misleading or deceptive and, in some cases, the value of such material has been doubted.

46. As regards passing off, Lord Parker in *AG Spalding & Bros –v- AW Gamage Ltd* (1915) 32 RPC 273, 286 said:

"It was also contended that the question whether the advertisements were calculated to deceive was not one which your Lordships would yourselves determine by considering the purport of the advertisements themselves, having regard to the surroundings circumstances, but was one which your Lordships were bound to determine upon evidence directed to the question itself. I do not take this view of the law. There may, of course, be cases of so doubtful a nature that a Judge cannot properly come to a conclusion without evidence directed to the point; but there can be no doubt that in a passing-off action the question whether the matter complained of is calculated to deceive, in other words, whether it amounts to a misrepresentation, is a matter for the Judge, who, looking at the documents and evidence before him, comes to his own conclusion, and, to use the words of Lord Macnaghten in *Payton & Co Ltd. –v- Snelling Lampard & Co Ltd.* (17 R.P.C. 635), "must not surrender his own independent judgment to any witness whatever".

47. As to the application of the Control of Misleading Advertisements Regulations 1988 SI 1988/915 and other legislation) Etherton J said, in *Office of Fair Trading v The Officers Club Ltd & Anor* [2005] EWHC 1080 (Ch) (26 May 2005) at [146] that the Court must reach a conclusion, irrespective of whether or not there is any actual evidence from consumers. He observed that in relation to such claims,

“[146] Evidence from such consumers is, therefore, not necessary. The position, in this respect, is comparable to passing off actions, where the Court has to decide whether the matter complained of is calculated to deceive, that is to say whether the defendant, by his conduct, has represented to the public or a particular class of public that the goods are the claimant's goods.

[147] Indeed evidence from actual or potential consumers may be unhelpful: if the evidence is given by too few of them, their views will not be sufficiently representative of the entire range of such customers; if a large number, intended to cover the full range, gives evidence, the adverse affect on the cost and duration of the trial may be disproportionate to the value of their evidence.”

48. In *Office of Fair Trading v Purely Creative Ltd & Ors* [2011] EWHC 106 (Ch) (02 February 2011) where the main issue was whether a given promotion would be likely to mislead the "average consumer" (a statutory concept in the context of the legislation in question), Briggs J noted that the parties had

“...abstained (wisely in my judgment) from seeking to pursue their cases on that issue by reference either to expert evidence or to statistical surveys. Both in that respect, and by their declining to cross-examine opposing witnesses, the parties are to be commended for having thereby avoided what would have otherwise have been the near certainty of giving rise to a trial of disproportionate length and expense.”

49. While none of these cases is conclusive, they do reflect a discernable trend in cases of diverse kinds, involving the assessment of the meaning and significance of



representations made in trade, to be fairly generous in the latitude given to tribunals of fact to determine such issues for themselves, while at the same time suggesting caution where the determination involves issues far from the tribunals' day to day experience.

50. The cases also underline the need to proportionality in this regard and reflect degree of underlying unease as to whether the quality of decision-making is improved by over-egging of the evidential pudding. If the approach to exactly what is required by way of evidence in this area were more picky and if the courts had shown themselves to be systematically mistrustful of tribunals' abilities to make the relevant determinations for themselves, one would expect actual evidence from real people of this kind to be treated with greater reverence. Instead, quite often it is viewed as a costly distraction, sometimes doing no more than teaching an otherwise competent tribunal to suck eggs.

51. There is no reason in principle why a similar approach should not apply to the evaluation of absolute grounds and, in particular, the issue of whether or not a given mark is descriptive or otherwise non distinctive to the average consumer. There too the question ultimately is: what does the mark *say* to the average consumer if used in relation to the given goods or services? I can see no real basis for taking a much more restrictive view of the relevant tribunals' power to evaluate a claim of distinctiveness without specific evidence than in those other contexts. If, in such contexts, even the presence of actual evidence from consumers is not regarded as determinative, why should the absence of any given evidence of how other signs are in fact used at a given date be determinative either? Of course such material can be informative but it is not invariably *necessary*.

52. Moreover, it would plainly be impractical to require the Registrar to have evidence of actual use of a sign in a non-distinctive way in a given industry or for the specific goods and services in question (still less of actual consumers) before he could take any decision adverse to the mark on a section 3(1)(b) or section 3(1)(c) objection. As *Kerly's Law of Trade Marks and Trade Names*, 14<sup>th</sup> edn. says at 8-015: "The tribunal must ensure that it is sufficiently educated about the relevant trade so that it is able properly to assess applicable grounds." The degree of specialist education required will

vary from case to case. It does not require the Registrar to conduct a state trial in every case in which such an issue is raised.

53. The above considerations perhaps highlight the fact that the Appointed Person was amply justified in quoting the observation in Phipson on Evidence that it can be a “task of some nicety” to decide how far a court or tribunal may act upon its own knowledge (as Geoffrey Hobbs QC said in *REEMTSMA Cigarettenfabriken GmbH* (BL 0-334-00; 7 September 2000). However, in my judgment, the question, while nice in its application comes down to this: can the decision-maker reliably determine on his or her own whether the mark is reliably origin specific? In the vast majority of cases the answer is likely to be “yes”.

54. The lines drawn in the cases (such as *GE*) between areas outside the normal purview of the decision maker and those within it do not always help in deciding how a decision-maker should proceed with respect to an evaluation under these provisions. So nothing in *GE* could rationally be taken to suggest that the Registrar needs evidence that the sign “NUCLEAR POWER” was not distinctive of nuclear power stations, despite the fact that the sale and purchase of such equipment is not within his day to day experience. At the other end of the scale, it is possible even with consumer goods that certain aspects of how consumers actually buy and sell goods and what they know may need to inform more marginal situations (see the observations of the attempt to rely on judicial notice in *Perfetti* which was, almost literally, a “bag of sweets” case).

### **Procedural considerations**

55. The Registrar is not bereft of means of obtaining information to inform himself. The Registrar provides an opportunity to an applicant to demonstrate, with evidence accompanying its representations, that, contrary to any first impression the Registrar may have reached and communicated to the applicant pursuant to section 37(3) of the Act, the mark applied for is distinctive for the goods or services (or some of them): see, in this connection, *EUROLAMB*. He can ask for more if in doubt.

56. The CJEU said in Case C-238/06 P *Develey Holding GmbH & Co. Beteiligungs KG* [2007] EUECJ C-238/06, [2007] ECR I-9375 at paragraph [50],

“...if an applicant claims that a trade mark applied for is distinctive, despite OHIM's analysis, it is for that applicant to provide specific and substantiated information to show that the trade mark applied for has either an intrinsic distinctive character or a distinctive character acquired by usage.”

57. Where the applicant provides no such specific and substantiated information – or no information at all - he can hardly complain when the Registrar confirms his first impression. This reflects a long-standing approach in the evaluation of distinctiveness of trade marks (see for a graphic case under the 1938 Act, “*Hold and Draw*” Trade Mark [1964] RPC 142). The principle applies with greater force where it is not actually in dispute that the mark is intended to depict or describe at least some aspect of at least some of the goods or services in question. In such a case, of which the present one is an example, there is a sufficiently firm foundation for a conclusion that the mark in question would be perceived by the average consumer as origin neutral as opposed to origin specific in respect of the goods or services in question not to require further material.

### **Summary**

58. Drawing these threads together, in my judgment, the Registrar may make determinations of distinctiveness based, *inter alia*, on his general knowledge and experience of the manner in which the goods or services in question are normally bought and sold, albeit having due regard to all the matters which it is unsafe or unfair to decide without evidence and to any representations made by the applicant.

59. The only caveat is that the Registrar should be alive to the warnings in cases such as *GE* of allowing idiosyncratic knowledge or temperament to influence a decision and to the fact that there are aspects of the average consumer's mind which it is sometimes dangerous to read without assistance. Where a mark is intended to depict or describe the kind of goods or services for which registration is sought and it is common ground that it

does so, it is not, in my judgment, a fair criticism of an evaluation by the Registrar to say that there was no adequate evidence upon which to base a judgment that the mark fails to distinguish or is descriptive. In such a case, even in the specialist areas of the kind Lord Diplock had in mind in *GE*, there is no justification for requiring the Registrar to have evidence of any given kind in *every* instance in order to found a decision as to whether the mark is descriptive or non-distinctive. Evaluation in those situations may well come down to a simple question of whether the mark is or is not sufficiently stylized to take it away from the merely descriptive and thereby confer distinctive character.

60. In the context of an appeal, once an experienced Hearing Officer has made an evaluation, an appellate tribunal needs to have very sound reasons for substituting its own view and implicitly thereby saying that it is better equipped with knowledge of the relevant field of commerce to evaluate the mark than the Registrar.

61. Beyond those general points, this is not the case in which to attempt to set out exhaustive guidance as to the approach the Registrar must take to evaluation not least because the points were only partially argued and because of the course I propose to take to the case overall. The purpose of the above analysis is to address the underlying criticism made of the Hearing Officer on this appeal to the effect that he acted without proper evidence.

### **The present case**

62. With that, I now return to the present case. The applicant points out, with some justification, that the Hearing Officer did not know how images of SIM cards were used in industry, there was no evidence to this effect and the nature of such use was hardly a matter of common experience. However, in reaching his conclusion that the sign would be perceived as nothing more than a functional symbol, in my judgment the Hearing Officer was not seeking to make an evidential evaluation than such usage was common or invoking the doctrine of judicial notice to avoid the absence of evidence.

63. He was, in my judgment, making an evaluation, based on general knowledge and experience, that, if an average consumer saw the image of a SIM card (which is a functional component of a mobile telephone) he would perceive that image as denoting a SIM card.

64. Moreover, the Registrar's initial determination of lack of distinctiveness was not adequately answered by the applicant. Having regard to the considerations I have set out above, I take the view that the applicant's criticism of the Hearing Officer's approach to evaluation of the mark is, in this respect, unjustified. It follows that the Hearing Officer's view of the sign and what the mark could be used to denote to an average consumer to denote is unimpeachable. I also have here in mind the observations of the Court of Appeal in *Bongrain* on appellate function. *Bongrain* it is true was a much easier case in that the applicant was (basically) for cheese, not for a large range of goods and services each potentially requiring an individual descriptiveness consideration. Here, the applicant has made life harder for the Registrar by applying for a diverse range to which potentially different arguments on distinctiveness apply which has certain consequences developed below.

65. That leads conveniently to the next point in this appeal.

#### **Descriptiveness by reference to characteristics**

66. At the hearing, there was some discussion of the scope of the objection under section 3(1)(c) to characteristics of goods and services. Because of the way the Hearing Officer dealt with this issue, it is appropriate to consider it briefly.

67. In *OHIM v Celltech*, the CJEU gave guidance on the scope of application of Article 7(1)(c) of the Community Trade Mark Regulation as follows. The Court said, at paragraph [50], that Article 7(1)(c)

“...does not lay down any distinction between, on the one hand, ‘intended purpose’ or ‘technical function’, which are characteristics of the goods and services, and, on

the other, ‘area of use’, which is not. On the contrary, the reference in that provision to ‘other characteristics’ shows that all possible characteristics of the goods and services concerned fall within the prohibition which it lays down. That analysis is confirmed by the Court’s case-law, according to which it is immaterial whether or not the characteristics described are essential or ancillary (Case C-363/99 *Koninklijke KPN Nederland* [2004] ECR I-1619, paragraphs 101 and 102).”

68. In *Koninklijke KPN Nederland* Case C-363/99 [2004] ECR I-1619 (*POSTKANTOOR*), the Court had additionally said at [102]:

“The wording of Article 3(1)(c) of the Directive does not draw any distinction by reference to the characteristics which may be designated by the signs or indications of which the mark consists. In fact, in the light of the public interest underlying the provision, any undertaking must be able freely to use such signs and indications to describe any characteristic whatsoever of its own goods, irrespective of how significant the characteristic may be commercially.”

69. These statements of the CJEU have an echo in observations of Geoffrey Hobbs QC sitting as the Appointed Person in *We Create Space O/342/10*, where he said:

“The words “or other characteristics of goods or services” were added by the Community legislator and they are evidently intended to ensure that the wording derived from the Paris Convention is regarded as illustrative and not exhaustive of the bases upon which descriptiveness can be held to disqualify a sign from registration.

Consistently with that approach, it appears to me to be necessary to interpret the word “characteristics” in the expression “any other characteristics” as applicable not only to what a trader may be willing to supply, but also to when, where, why and how it may be supplied. Such matters – and suitable ways of designating them – are liable to vary according to the context or manner in which goods or

services of the kind specified for registration may actually be provided. I think it follows that a mark can be objectionable under sub-para. (c) without being descriptive in every context or manner in which it could be used with reference to goods or services of the kind specified.”

70. It would therefore not be right to interpret section 3(1)(c) of the Act as having only a narrow scope of application as regards “characteristics” of goods or services. It is not, in my judgment, confined to precluding registration where the mark applied for represents the goods or services as such. As has been said in several cases, there must be a sufficiently direct and specific relationship between the designation in question and one or more characteristics of the goods and services. Beyond that, there is no limit to application of the section.

#### **Characteristics in the present case**

71. In this case, among the services for which application is made are “mobile telecommunications services”. At present, the overwhelming likelihood is that such services will be provided to consumers who are obliged to use a SIM card to access them.

72. I was told at the hearing that the mark applied for was in fact designed to be used in conjunction with promotion of O2’s SIM only telecommunications packages, where customers purchase only a SIM and no mobile phone. Being “SIM only” (in the sense that receiving the services only requires purchase of a card and not a phone as well) is, to my mind, plainly a characteristic of a telecommunications service and, in particular, a mobile phone package. The most natural way of representing graphically that a telecommunications service involves only the supply and/or use of a SIM card is by use of a depiction of a SIM card in a manner easily recognisable to consumers. That is precisely what the mark proposed to be registered does. In so far as it makes sense to talk of degrees of descriptiveness, the mark applied for, if anything, *most* descriptive of SIM cards themselves and of the SIM-only mobile phone services for which the applicant is most interested in using it.

73. The Hearing Officer referred to *Doublemint* and concluded that the section 3(1)(c) objection applied only where the mark was used “in respect of those goods it visually represents (i.e. SIM cards)” (Decision, paragraph 23). He therefore implicitly held that the section 3(1)(c) objection was inapplicable to any telecommunications services in class 38 (i.e. the very services in respect of which the applicant primarily wished to use the mark) and that such services were only excluded from registration in virtue of section 3(1)(b).

74. For the reasons given above, I am not satisfied that, in the light of the ECJ’s jurisprudence since *Doublemint*, including Case C-273/05 P *OHIM v Celltech* [2007] ECR I-2883, that the objection under section 3(1)(c) as it applies to characteristics of goods or services is of such narrow application. I raised this issue with the parties and the Registrar’s representative at the hearing inclined to the view that the Hearing Officer had taken too narrow a view of the scope of application of section 3(1)(c). More generally, he accepted that (at least if taken out of context) the test applied by the Hearing Officer was not correct for section 3(1)(c).

#### **The earlier *O2 (Icons)* Decision**

75. In adopting the approach he did, the Hearing Officer was heavily influenced by the view he took of the Decision of Professor Anand sitting as the Appointed Person in *O2 (Icons)* O-127-07 concerning a number of applications for marks (also by O2 Holdings Limited). In paragraph 37 of that Decision, Professor Anand criticised the Hearing Officer for “straying into s.3(1)(b) territory” in finding that the device of the envelope designated characteristics of e-mail services, while recognising that the boundaries of “characteristics” may be difficult to draw. However, in my judgment, Professor Anand was not purporting to state that, as a matter of law, a depiction of a physical object could not amount to a designation of a characteristic of services. All she was saying was that the envelope device in that case did not designate a characteristic of e-mail services, even though it was a visual icon often associated with e-mail services.



76. That may well have been justified in that case. The position here is different. A SIM card is a physical article which may be (and, at present, usually is) used with the supply of consumer mobile telecommunication services. Moreover, it makes sense to identify telecommunications services by reference to whether the supply of them also involves just a SIM card or also a mobile phone. As well as O2, other companies advertise “SIM only” deals as the material referred to by the Registrar at the hearing shows. So in the present case, a representation of a SIM card is, in my judgment, capable of denoting characteristics of a telecommunications services in a number of different ways.

77. It may be noted that this approach is consistent with *Doublemint*, where the ECJ said at [31] that the equivalent objection to registration under the Community Trade Marks Regulation would apply to characteristics or goods or services in respect of which registration is sought, not only to depictions of the goods themselves.

78. It is, in my judgment, clear that a visual mark depicting items which either are the very goods for which the mark is sought to be registered or are to be used with them may be refused registration under s.3(1)(c). However, it is necessary to apply the objection with some care to the specific goods and services in question. It has been repeatedly said that the distinctive character of a mark must be assessed, first, in relation to the goods or services for which registration of the sign has been requested and, second, in relation to the perception of the relevant public, consumers who are reasonably well informed and reasonably observant and circumspect (Case T-63/01 *Procter & Gamble v OHIM* (Soap shape) [2002] ECR II-5255, paragraph 39; see also, by analogy, Joined Cases C-53/01 to C-55/01 *Linde and Others* [2003] ECR I-3161, paragraph 41).

79. Reminders are frequently given in the cases of the importance of examining distinctiveness by specific reference to individual kinds of goods or services. For example, in Joined Cases T-387/06 to T-390/06, *Inter-Ikea Systems BV v. OHIM*, OHIM was criticised by the Court of First Instance for confining itself to examining the distinctive character of the marks applied for solely in relation to pallets and not

examining distinctive character in relation to the other goods and services designated in the trade mark registration applications. In that case, the Court of First Instance held that it fell to the Board of Appeal in the first place to establish that, in relation to those other goods and services, the signs in question did not significantly depart from the norm or customs of the sector. By failing to examine the distinctive character of the marks applied for in relation to each of the goods and services covered by the application, the Board of Appeal infringed Article 7(1)(b) of Regulation No 40/94 in relation to the other designated goods.

80. A more global approach may be taken where, but only where, goods or services are inseparably linked. Thus, in *Ford Motor Company v. OHIM*, Case T-67/07 the Court of First Instance said:

“...the descriptive character of a sign must be assessed separately for each category of goods and/or services covered by the application for registration. Nevertheless, all the goods specified in the trade mark application may be inseparably linked since some of those goods may only be used in connection with the others, and a solution which is common to all the goods should therefore be adopted (see, to that effect, Case T-216/02 *Fieldturf v OHIM (LOOKS LIKE GRASS... FEELS LIKE GRASS... PLAYS LIKE GRASS)* [2004] ECR II-1023, paragraph 33, and Case T-315/03 *Wilfer v OHIM (ROCKBASS)* [2005] ECR II-1981, paragraph 67).”

81. Because of the view I take of the potential scope of a section 3(1)(c) objection and because I do not think that Professor Anand intended to limit its application in the way in which the Hearing Officer thought she had, I would have taken a somewhat broader view of the application of the section 3(1)(c) objection on the facts of this case. In particular, I would have held that it also applied to those services the provision of which to consumers ordinarily involves the use of a SIM card. That would include those services in class 38 which encompass mobile telephony services, which the Hearing Officer held were only excluded by section 3(1)(b).

### **The present case**

82. The Hearing Officer held that the s.3(1)(c) objection applied to the following goods:

Class 9: Apparatus for recording, transmission or reproduction of sound or images; data processing equipment; apparatus for the transmission of sound and image [sic]; telecommunications apparatus; mobile telecommunication apparatus; computer hardware; telecommunications network apparatus; parts and fittings for all the aforesaid goods.

83. He did so on the basis that all of these goods “must include SIM cards”. The applicant challenges this conclusion, contending that at least some of the goods for which registration was refused are unlikely to contain or be used with SIM cards.

84. In my judgment, the applicant is right. The Hearing Officer went too far in concluding that all of the goods for which registration was refused *had* to include SIM cards. In this respect, the applicant is on stronger ground in saying that, in the absence of evidence or notorious fact, there was no adequate basis for this conclusion of non-distinctiveness across *all* of the kinds of goods if that is what he was intending to hold.

85. There was, in my judgment, no material upon which the Hearing Officer could properly conclude that *all* such goods had to include SIM cards. Indeed, it is notorious that at least some would not. For example, an old LP turntable would fall in that class, but would not ordinarily include a SIM card. Nor would even some MP3 players necessarily include such a card. What he may have meant was that at least some goods in the sub-classes were likely to include SIM cards – for example MP3 players if they were also mobile phones, as is now common.

86. But even on that basis, they would not include such cards in virtue of being recording apparatus – but in virtue of being mobile phones. While the determination that a representation of a SIM card designates characteristics of mobile telecommunications

apparatus is unimpeachable, a determination that it designates characteristics of recording apparatus (which encompasses a broad range of goods which may well not include or be used with SIM cards) is not.

87. He may also have meant that a SIM card would itself be “apparatus for recording, transmission or reproduction of sound or images”. If so, I do not think that conclusion is sufficiently supported by the evidence as to what a SIM card actually does. In contrast, somewhat surprisingly, the Hearing Officer did not hold that “magnetic data carriers” or “mobile telephones” would fall within the scope of the section 3(1)(c) objection (although he held that they would be excluded by section 3(1)(b)). This is surprising because one would have thought it much more likely that a mobile phone had to include a SIM card than that sound recording apparatus would do so.

88. Accordingly, in my judgment, the reason he gave for upholding the section 3(1)(c) objection was not soundly based for all the goods in that class and was anomalous. That said, the applicant made no attempt to limit its specification before the Registrar and the Hearing Officer was obliged to consider the specification as it stood. He can hardly be criticised for approaching the case on the basis that the applicant was taking its stand on these.

89. To summarise, as regards section 3(1)(c), it is effectively common ground that the Hearing Officer applied the wrong test although for different reasons. Moreover, the goods to which the objection was held not to apply is hard to reconcile with the reasoning. To that extent, his Decision should be re-evaluated. For reasons given above, the actual test he applied was, if anything, too generous to the applicant in its general formulation and too strict in its specific application. Something has gone wrong. I return at the end of this Decision to the consequences of this conclusion.

### **Section 3(1)(b)**

90. Section 3(1)(b) of the Act precludes registration of trade marks “which are devoid of distinctive character”. The approach to section 3(1)(b) has been set out in numerous

cases and has been most recently summarised by the CJEU in *OHIM v. BORCO-Marken-Import Matthiessen GmbH & Co KG* Case C-265/09. Commenting on that case more recently, Geoffrey Hobbs QC, sitting as the Appointed Person, said in *We Create Space* that what matters for the purpose of the required assessment is whether, from the perspective of the average consumer, the sign in question “would serve to individualise goods or services of the kind specified to a single economic undertaking.”

91. The Hearing Officer approached the section 3(1)(b) objection by referring, correctly, to the *Linde* case. He said that the issue as regards section 3(1)(b) was not whether the two dimensional representation of a SIM card was a representation of the actual goods, but rather whether such a device, used in respect of telecommunications apparatus and services (many of which function via the use of a SIM card) will be perceived as a symbol which simply lacks any prima facie capacity to distinguish the products of one trader from those of another.

92. He went on to say: “There is, I think, a high likelihood that images of SIM cards are likely to appear on the outer or inner surfaces of telecommunications apparatus – indicating, for example, where such a card should be placed or inserted. There is also a likelihood of such images appearing in instructional literature (advising the consumer on how to use the SIM card) and in promotional literature (indicating to the consumer what other peripherals and apparatus might be required in order to make a piece of telecommunications apparatus function effectively). The SIM card is a product which is highly recognisable to the relevant consumer on account of it always retaining the same shape regardless of its brand or manufacturer, and also on account of its fundamental functional role in the context of a mobile phone.” (Decision, para. 30)

93. In paragraph 31 of the Decision he said that even where the image of a SIM card is not a direct representation of the actual product tendered for sale, “the sign would still be perceived as nothing more than a functional symbol”. He said “This in itself is sufficient basis for an objection under section 3(1)(b)”. After referring to the Decision of Professor Annand he said, in paragraph 33,

“The mark falls foul of section 3(1)(b) alone where the mark does not represent any specific characteristic of the product but instead fails to indicate any trade origin on account of it being perceived as nothing more than a functional symbol.”

94. He held that this objection applied to a number of goods in classes 9, 38 and 42. It is not entirely clear from the Decision what features of the goods or services he identified formed the basis for his decision that when used in relation to those *specific* goods or services, the mark was likely to be perceived as nothing more than a functional symbol. However, his approach was squarely based on the use of the mark in telecommunications contexts.

**The argument concerning lack of evidential basis**

95. The applicant’s principal argument in relation to the section 3(1)(b) point is that the Hearing Officer had no adequate evidential basis for determining how images of SIM cards were used in the industry and it was not something of which judicial notice could properly be taken. As the applicant says in its skeleton “That is not his fault, as there is no evidence put forward by the Applicant in relation to this case.” The applicant goes on to say that it is not the case that images of this sort are used in a purely functional sense in the industry. I have dealt with the ability of a tribunal to make an evaluation of this matter, in the context of the discussion concerning section 3(1)(c).

96. It is readily understandable that, in any telecommunications context, and particularly a context of mobile telephone services, the mark is likely to be perceived in that way. To that extent that the Decision involves a finding that, when used in relation to mobile telecommunication handsets, the mark is likely to be taken as simply referring to a SIM card, not to any particular origin, it is impossible to disagree with the Hearing Officer’s conclusion.

97. I am therefore not satisfied that, in relation to the majority of goods and services in classes 9, 38 and 42 (many of which are or are connected with telecommunications) that the Hearing Officer approached the matter incorrectly. To the contrary, he was plainly right. In so far as those goods or services are or are related to telecommunications (i.e. are a context in which the sign would be perceived as being a depiction of a SIM card), he was right to conclude that the sign was non-distinctive.

#### **Non-telecommunications contexts**

98. However, it is far less clear that this is would be the case in a context in which the average consumer may not be expecting to encounter a SIM card at all. Consider, even, for example the general class of goods “computer software downloadable from the internet”. That is a very broad description of goods covering software of many different kinds and with different purposes. Into that class would fall (for example) certain children’s educational software. It is unclear that, if the mark was used in relation to software of that kind, the average consumer would immediately treat the mark as being a SIM card at all. In a context far removed from telecommunications, it is much easier to see that the mark would be effectively meaningless. In contrast, in the context of software relating to mobile telephony services, it is almost inevitable that the average consumer would see the sign as denoting a SIM card. To that extent, the denotation of the sign depends on the context in which it is used. That is a consequence of the breadth of this class of goods and it might be said that it is the applicant’s problem for applying so broadly as to cover a large range of goods.

99. I have hesitated as to whether this consideration is sufficient to justify interfering with the Hearing Officer’s determination. On one view of *Bongrain* this is the kind of determination which should be left alone. My reason for not doing so is that it is not clear from the Decision that the Hearing Officer’s approach was sufficiently informed by the need to consider what the mark in question would be likely to mean in the different contexts of use relevant to the specific goods and services. Of course in any telecommunications context, it proclaims “SIM-card”; in other contexts it may be meaningless.

### **Summary**

100. So, in my judgment, the Hearing Officer was right to hold that the mark was unregistrable in respect of goods and services which either used or were likely to involve the use of a SIM card. Among those goods and services are SIM cards themselves and SIM-only mobile telephone services, i.e. the core services in respect of which it is sought to use the mark. He could have held that the mark was unregistrable for such goods services both under section 3(1)(c) and 3(1)(b) because the test under section 3(1)(c) is in fact broader than he held it to be.

101. However, the Hearing Officer had insufficient reasons for concluding that the mark was not distinctive in relation to goods which were unlikely to involve the use of a SIM card and where the context of the use of the sign would not be taken as indicating that it was denoting a SIM card. Equally, I consider that there was no adequate foundation for his conclusion that the mark was non-distinctive contrary to section 3(1)(b) in relation to services which were unlikely to involve the use of a SIM card, such as number of the services in class 38 and 42 which are not related to mobile and other telecommunications. These might include (but may not be limited to) broadcasting services, of various kinds, internet and e-mail related services and the scientific and technological services including research and design relating thereto. Because of the course I intend to take with this case, I do not propose to go further than to say that services of this kind require reconsideration.

### **Remittal**

102. At the hearing, the applicant invited me to remit the matter for further prosecution in case I determined that there are categories of goods or services which it may be possible to contend that the mark would be distinctive. While questioning the value of such an exercise, the Registrar's representative did not suggest that remitting the matter was inappropriate in principle or put up real resistance to that request.



103. I have considered at some length whether this is an appropriate case for me to determine the issue once and for all rather than remit to the Registrar for further prosecution. I have concluded, with some reluctance, that there is no real alternative to remitting the matter.

104. In *Lloyds Pharmacy*, the Appointed Person declined to remit the case partly on the ground that this would cause delay. That is certainly a factor to take into account.

105. However, I do not consider it would be appropriate in this case for this tribunal to determine, without the possibility of recourse, whether there is a more limited class of goods or services for which the marks may be registered, in the face of a request by the applicant for an opportunity, even at this late stage, to be able to reconsider the scope of its specification.

106. There are further reasons in this case for giving the applicant an opportunity to consider its position and try, if so advised, to persuade the Registrar that registration should be permitted for a narrower class of goods.

107. First, as noted above, although the specification of goods for which application has been made is very broad, the applicant expressed a desire at the hearing to use (and protect) the mark primarily in respect of SIM-only mobile telecommunication services. There is no positive suggestion that the applicant, a major telecommunications undertaking, has a significant interest in using it even for some of the goods for which registration was permitted (such as sunglasses). However, the applicant has, by making the application, indicated an intention to use the mark for (for example) “industrial analysis and research services” in class 42, for which, upon re-evaluation, it may turn out to be no more objectionable than for sunglasses because in respect of such services it may not signal a SIM card.

108. The applicant may wish to reflect upon whether, for example, it wishes to invite the Registrar to consider the permissibility of exclusions from the categories of goods and

whether any sub-categories of any commercial value could be formulated which would not fall foul of the principles relating to characteristic-based exclusions in the *POSTKANTOOR* case. The applicant submitted that there might be and it is not possible for me to conclude definitively on this appeal that there are not.

109. Second, underlying the applicant's arguments is the complaint that, in rejecting the marks, the Registrar acted without adequate evidence. While I have held that his approach could not be criticised, the Registrar did adduce further material at the hearing to bolster his case for non-distinctiveness, indicating that material concerning the manner in which such marks were likely to be used was potentially relevant to the decision. That indicates that the factual position before the Hearing Officer may have been less than complete.

110. Third, the Registrar indicated at the hearing that he may wish to consider the appropriateness of any exclusions advanced by the applicant by reference to the Registry's guidance relating to Specification Restrictions (and in particular the example relating to BROADBAND GLOBAL) in the UKIPO's Examination Guide. It is appropriate for the Registrar rather than me to be able to do that in the first instance to permit some consistency of practice.

111. Fourth, this is a somewhat paradoxical case. The mark is, to my mind, clearly unregistrable in respect of the goods and services for which the applicant has stated that it most wants to use it. Equally, it is clearly registrable in respect of goods for which the applicant appears *prima facie* much less likely to want to use it having regard to the nature of its core business (sunglasses, fire extinguishers etc.). At both those ends of the spectrum of goods and services, this is an easy case and the Hearing Officer's judgment was right.

112. What has caused almost all of the difficulty is the approach to the area in between where there is greater scope of argument about the contextual meaning of the sign. However, it is unclear how much of the middle really matters to the applicant given its

commercial objectives. Some of the points made above concerning the ability of the Registrar to act without evidence go beyond matters that were argued and this decision refers to cases upon which I was not addressed. I considered whether it would be appropriate to invite further submissions on these issues but it is much preferable to permit the applicant to focus its attention on what really matters before requiring either applicant or Registrar to engage in further costly debate on the legal principles.

113. Finally, the importance attributed in the cases to ensuring that an evaluation of distinctiveness is undertaken specifically with reference to the particular goods and services individually coupled with the fact that the Registrar's representative accepted at the hearing that the approach taken by the Hearing Officer as regards section 3(1)(c) was not in conformity with the law, suggests that this case may benefit from a fresh evaluation of the precise goods and services in respect of which the objections apply.

#### **Remittal**

114. I shall therefore set aside the Decision and remit the case to the Registrar to consider whether there is a more limited class of goods and services for which registration may be permissible, having regard to the matters set out in this Decision. Without tying the Registrar's hands in re-evaluating the issue, in my view the Registrar should have particular regard to the following principles.

115. First, to bear in mind that the objection under section 3(1)(c) extends not only to a sign which is directly descriptive of goods but also to those which are directly descriptive of ancillary characteristics of goods or services. Second, to evaluate any categories on the basis that there may be goods or services in respect of which the mark in question would not be descriptive because the context of use would not suggest that the mark was denoting a SIM card but that it would be descriptive (or at any rate not distinctive) in respect of goods or services where the context of use would suggest use of a SIM card. Third, that in any context in which the mark would be taken by the average consumer to be a representation of a SIM card and the goods or services involved mobile telephony card, it would fall foul of both section 3(1)(b) and section 3(1)(c). It is up to the applicant

the first instance to consider whether any commercially useful class of goods or services can be defined for which this was not the case.

**OVERALL CONCLUSION**

116. I direct that this case be remitted to the Registrar for further prosecution in the light of this Decision.

**COSTS**

117. In all the circumstances, including the outcome, the mixed result, and the ex parte nature of the Decision, I make no order as to costs.

**DANIEL ALEXANDER QC**  
**APPOINTED PERSON**

14th February 2011