

O-094-14

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NUMBER 2588313

BY CPA Australia

TO REGISTER THE FOLLOWING COLLECTIVE MARK

IN CLASSES 9, 16, 35, 36 AND 41:

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BACKGROUND

1. On 19 July 2011, CPA Australia ('the applicant') applied to register trade mark application number 2588313 for the sign 'CPA' for the following goods and services in classes 9, 16, 35, 36 and 41:

Class 9: Electronic publications; downloadable publications; pre-recorded magnetic tapes, discs and other media bearing computer programmes and recorded information and data; CD-ROMs, CDs, DVDs, software; all relating to finance and accountancy.

Class 16: Printed matter; printed publications; diaries; teaching materials.

Class 35: Accountancy services; preparation of accounts, corporate advisory services; business insolvency services; information and advisory services relating to all the aforementioned services.

Class 35: Financial services; valuations; tax advice; actuarial services; information and advisory services relating to all the aforementioned services.

Class 41: Education; providing of training; information, advisory and consultancy services relating to all the aforementioned services.

2. On 2 August 2011, the Intellectual Property Office ('IPO') issued an examination report to Withers & Rogers LLP ('the agent') in response to the application. In the report, an objection was raised under sections 3(1)(b) and (c) of the Trade Marks Act 1994 ('the Act') because *"the mark consists exclusively of the letters CPA being a recognised abbreviation for 'Certified Public Accountant' and 'Chartered Professional Accountant', being a sign which may serve in trade to designate the intended purpose of the goods and services, for example goods and services provided by a chartered professional accountant or a certified public accountant"*. Two months were allowed for the agent to respond

3. On 30 September 2011 the agent requested a further two month period to respond to the examination report as the client was collating evidence of use. Additional time was granted up until 2 December 2011.

4. On 29 November 2011 the agent responded with arguments for *prima facie* acceptance of the mark. She submitted that 'CPA' is a recognised acronym used to denote a variety of different professional bodies and organisations including 'Clinical Pathology Accreditation', 'Construction Plant-Hire Association', 'Commonwealth Parliamentary Association', 'Christian

Police Association', and 'Institute of Chartered Patent Attorneys'. The agent went on to argue that, as the mark is used in a variety of different professions and organisations, consumers are unlikely to specifically associate the three-letter sequence 'CPA' with accountancy services. It was also pointed out that a range of companies and associations own rights to the word mark CPA; the agent submitting that "*These earlier registrations exemplify that the word mark CPA is eligible for registration and that it has been held that consumers do not intuitively associate CPA with the services of a Chartered Professional Accountant or a Certified Public Accountant*".

5. The examiner maintained the objection, which then led to the agent submitting evidence in support of a claim to acquired distinctiveness. The examiner did not consider the evidence to show that the mark had acquired the necessary distinctive character through use, and so maintained the objection. However, the examiner also noted that the evidence submitted showed the sign was being used as a *collective* mark rather than as an indicator of trade origin and so duly informed the agent of this by letter dated 2 May 2012.

6. On 2 July 2012 the agent asked for the application to be examined as a collective mark. In the subsequent *second* examination report, an objection was then raised under paragraph 4(1) of Schedule 1 of the Act because the sign failed to contain any clear indication of its status as a collective mark. The examiner also requested a copy of the memorandum and articles of association or similar documents (in accordance with paragraph 5 of Schedule 1), and re-stated the objection under section 3(1)(b) & (c) of the Act in accordance with the initial Examination Report i.e. "*because the mark consists exclusively of the letters CPA being a recognised abbreviation for Certified Public Accountant and Chartered Professional Accountant, being a sign which may serve in trade to designate the intended purpose of the goods and services for example goods and services provided by a chartered professional accountant or a certified public accountant*".

7. At this point it may be useful to point out that collective marks differ from 'ordinary' trade marks in that the latter distinguish goods and services of one particular trader (i.e. a single trade source) from those of other traders, whereas the function of a collective mark is to distinguish the goods or services of members of an association (where that association is the proprietor of the mark) from those of other undertakings. It is important to appreciate this difference when considering the distinctiveness of a collective mark. However, in many cases, an objection which is applicable to an ordinary trade mark will be equally applicable to a certification or collective mark, as is the case with this application.

8. On 11 September 2012, the agent requested additional time to submit a response to the second examination report (i.e. the report which addressed the sign as a collective mark). Further time was granted up to 13 November 2013.

9. The agent responded to this second examination report on 12 November 2012. Given that the section 3(1) objection taken against the collective mark was the same as that taken against the sign as a trade mark, it is unsurprising that this latest response was very similar to the letter of 29 November 2011. In addition, the agent pointed out that neither the Institute of Chartered Accountants in England and Wales (ICAEW) nor the Association of Chartered Certified Accountants (ACCA) have any registered trade marks to protect their use of the acronym 'CPA', nor does either of these organisations make reference to professional

accountants via that acronym. They added that the ICAEW does not make any reference to CPA being a recognised professional qualification for accountants in the UK, but instead uses the terms 'Chartered Accountants' and the member designations 'A.C.A.' and 'F.C.A.' to denote those members of the accountancy profession regulated by the ICAEW. Similarly, the ACCA uses the term 'Chartered Certified Accountant' and the member designations 'A.C.C.A.' and 'F.C.C.A.' to denote the provision of accountancy services by a Chartered Accountant or Chartered Certified Accountant. The agent concluded its letter by informing us that the applicant had successfully registered the mark 'CPA Australia' in the UK.

10. The examiner responded on 17 November 2012 maintaining the objections. She informed the agent that, as the first paragraphs of the most recent letter repeated what had already been submitted in the agent's first letter (and subsequently addressed in IPO's response), she would make no further comment (details of those particular submissions are given in paragraph 4 above). The examiner added that the fact that 'CPA' had not already been registered by any similar company or association would have no bearing on the acceptability of the mark. She included in her letter a definition from the Oxford Reference Dictionary of Abbreviations which confirmed that 'CPA' is a known abbreviation for 'Chartered Public Accountant'. She also pointed out that, in relation to the previous acceptance of 'CPA AUSTRALIA', the Registrar is not bound by previous acceptances, and that the earlier mark is conceptually different to the sign being considered here. Finally, the examiner reminded the agent that, if the section 3(1) objection was overcome, it would then be necessary to file the Regulations governing use of the collective marks pursuant to Section 5(1) of Schedule 1 of the Trade Marks Act 1994.

11. Following receipt of the examiner's response, the agent requested an *ex parte* hearing which was held on 31 July 2013. Prior to the hearing, the agent sent in further evidence of acquired distinctiveness in the form of a witness statement by David Russell of De Montfort University, and Lisa Hall of BP Financial University. At the hearing, we discussed the objections raised under section 3(1), and the evidence submitted. I was not convinced that the mark had acquired a distinctive character because of the use made of it, and so I maintained the objection.

12. On 23 August 2013, the agent submitted a form TM5 seeking a statement of reasons for the Registrar's decision. I am now asked under section 76 of the Trade Marks Act 1994, and Rule 69 of the Trade Marks Rules 2008, to state in writing the grounds of my decision and the materials used in arriving at it.

13. My assessment of the evidence is shown in later paragraphs of this decision. However, it is important that I first set out the Registrar's position in respect of the *prima facie* case for acceptance.

The *prima facie* case for registration under Section 3

14. Section 3(1) of the Act reads as follows:

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

(a) ...

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

(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,

(d) ...

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

The above provisions mirror Article 3(1)(b) and (c) of First Council Directive 89/104 of 21 December 1988 (subsequently codified as Directive 2008/95/EC of 22 October 2008) ('the Directive'). The proviso to section 3 is based on the equivalent provision of Article 3(3).

Relevant authorities - general considerations

15. The Court of Justice of the European Union ('CJEU') has repeatedly emphasised the need to interpret the grounds for refusal of registration listed in Article 3(1) and Article 7(1), the equivalent provision in Council Regulation 40/94 of 20 December 1993 (subsequently codified as Council Regulation (EC) No 207/2009 of 26 February 2009) on the Community Trade Mark (the Regulation), in the light of the general interest underlying each of them (*Bio ID v OHIM*, C-37/03P, paragraph 59 and the case law cited there and, more recently, *Celltech R&D Ltd v OHIM*, C-273/05P).

16. The general interest to be taken into account in each case must reflect different considerations according to the ground for refusal in question. For example, in the case of the registration of colours *per se* not spatially delimited, the Court has ruled that the public interest is aimed at the need not to restrict unduly the availability of colours for other traders in goods or services of the same type. Also, in relation to section 3(1)(b) (and the equivalent provisions referred to above) the Court has held that "...the public interest... is, manifestly, indissociable from the essential function of a trade mark" (*Satelliten Fernsehen GmbH v OHIM* C329/02 (SAT. 1)). The essential function thus referred to is that of guaranteeing the identity of the origin of the goods or services offered under the mark to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin (see paragraph 23 of the above mentioned judgment).

Section 3(1) (c)

17. There are a number of CJEU judgments which deal with the scope of Article 3(1)(c) of the Directive and Article 7(1)(c) of the Regulation, whose provisions correspond to section 3(1)(c) of the UK Act. I derive the following main guiding principles from the cases noted below:

- Subject to any claim in relation to acquired distinctive character, signs and indications which may serve in trade to designate the characteristics of goods or services are deemed incapable of fulfilling the indication of origin function of a trade mark (*Wm Wrigley Jr & Company v OHIM*, C-191/01P ‘*Doublemint*’, paragraph 30);
- Article 7(1)(c) (section 3(1)(c)) pursues an aim which is in the public interest that descriptive signs or indications may be freely used by all (*Doublemint*, paragraph 31);
- It is not necessary that such a sign be in use at the time of application in a way that is descriptive of the goods or services in question. It is sufficient that it could be used for such purposes (*Doublemint*, paragraph 32);
- It is irrelevant whether there are other, more usual signs or indications designating the same characteristics of the goods or services. The word ‘exclusively’ in paragraph (c) is not to be interpreted as meaning that the sign or indication should be the only way of designating the characteristic(s) in question (*Koninklijke KPN Nederland NV v Benelux Merkenbureau*, C-363/99 ‘*Postkantoor*’, paragraph 57);
- An otherwise descriptive combination may not be descriptive within the meaning of Article 3(1)(c) of the Directive provided that it creates an impression which is sufficiently far removed from that produced by the simple combination of those elements. In the case of a word trade mark, which is intended to be heard as much as to be read, that condition must be satisfied as regards both the aural and the visual impression produced by the mark (*Postkantoor*, paragraph 99).

18. In *Matratzen Concord AG v Hukla Germany SA* (C-421/04), the CJEU stated that:

“...to assess whether a national trade mark is devoid of distinctive character or is descriptive of the goods or services in respect of which its registration is sought, it is necessary to take into account the perception of the relevant parties, that is to say in trade and or amongst average consumers of the said goods or services, who are reasonably well informed and reasonably observant and circumspect, in the territory in respect of which registration is applied...”

I am also mindful of the decision of the General Court (formerly the Court of First Instance) in *Ford Motor Co v OHIM*, T-67/07 where it was stated that:

“...there must be a sufficiently direct and specific relationship between the sign and the goods and services in question to enable the public concerned immediately to perceive, without further thought, a description of the category of goods and services in question or one of their characteristics”.

19. I must also be aware that the test is one of immediacy or first impression, as confirmed by the General Court which, in its decision on *Sykes Enterprises v OHIM ‘Real People Real Solutions’* [2002], ECT II-5179, stated:

“...a sign which fulfils functions other than that of a trade mark is only distinctive for the purposes of Article 7(1)(b) of Regulation No 40/94 if it may be perceived

immediately as an indication of the commercial origin of the goods or services in question, so as to enable the relevant public to distinguish, without any possibility of confusion, the goods or services of the owner of the mark from those of a different commercial origin."

20. It is clear from the aforementioned case law that I must determine whether, assuming notional and fair use, the mark applied for will be capable of distinguishing the goods or services of members of the association (i.e. the applicant) from those of other undertakings. The entry in Collins English Dictionary for the abbreviation 'CPA' is 'certified public accountant'. Although 'CPA' is the main accounting qualification in the USA, there are CPAs (Certified Public Accountants) active in other countries - including a British version of the qualification offered by CPAuk (Certified Public Accountants Association). The website for CPAuk states that there are more CPAs in the world than any other type of accountant.

21. In assessing whether the mark would be seen as distinguishing the products provided as being from members of the applicant association, I have to identify who the average consumer is. I consider that the average consumer would vary according to the goods and services being offered. In respect of the class 9 and 16 goods and the education and training services in class 41, I consider the average consumer to be *either* someone interested in becoming a certified public accountant, *or* someone who has already achieved the qualification of certified public accountant. These consumers are likely to be well-informed regarding the training and qualifications available in the field of accountancy and will be aware that CPA is a qualification offered by more than one body. In respect of accountancy services, the average consumer could be either businesses or those members of the general public who need the services of an accountant. On the basis of substantiation provided by the examiner and in this decision, I believe that businesses will be aware that the abbreviation 'CPA' refers to a person who is a professional accountant. It informs consumers, without any further reflection, that the goods and services applied for will be provided by an accountant who has attained a certification awarded to accountancy professionals. Those members of the general public who need a professional accountant, are likely to see the letters CPA as indicating a professional who has reached the required standard to have been awarded a professional qualification.

22. The agent has referred to the fact that 'CPA' is a recognised acronym to denote a variety of different professional bodies such as 'Clinical Pathology Accreditation', 'Construction Plant-Hire Association' and 'The Institute of Patent Attorneys', and submits that, given its capacity to designate a variety of different goods and services, it cannot exclusively indicate goods and services provided by a Certified Public Accountant or a Chartered Professional Accountant. In this respect I refer to the decision in *OHIM v Wm Wrigley Jr (Doublemint, Case C-191/01P)* where the CJEU concluded that a sign must be excluded "*if at least one of its possible meanings designates a characteristic of the goods or services concerned*". Paragraph 32 of that decision states:

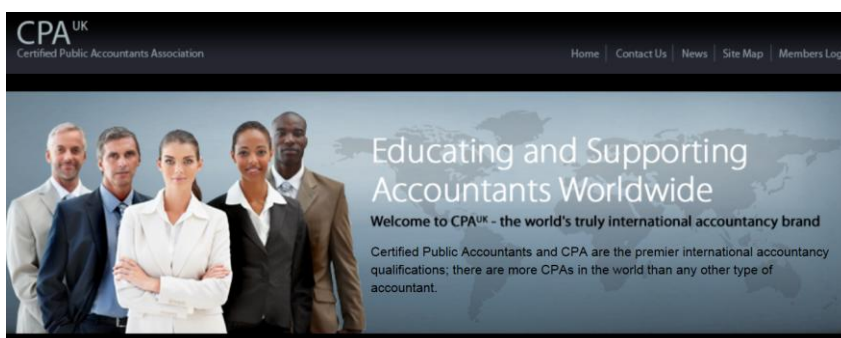
"In order for OHIM to refuse to register a trade mark under Article 7(1)(c) of Regulation No 40/94, it is not necessary that the signs and indications composing the mark that are referred to in that article actually be in use at the time of the application for registration in a way that is descriptive 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.”

It is unlikely that the average consumer, when encountering the letters ‘CPA’ in relation to goods or services relating to accountancy, would see them as indicating, for example, ‘Clinical Pathology Accreditation’ or The Construction Plan-Hire Association’. They would only ever view those letters as relating to accountancy and, particularly where the informed consumer is concerned, as relating to a certified public accountant and/or a certified professional accountant.

23. Having established that the average consumer would perceive the three-letter sequence ‘CPA’ as referring to goods and services relating to, or provided by, a certified public (or professional) accountant, I then have to consider whether, in use, the sign would only be seen as indicating the goods and services provided by the applicant’s association, or could it be seen as indicating that the goods and services could be provided by a number of other associations or organisations. My findings show that in reality a number of unrelated associations all use the sign. As stated in paragraph 20 above, the CPAuk provides training and certification for those wishing to be certified public accountants, and uses the sign ‘CPA’ to denote the status. However, there are others, including those shown below:

(i) <http://www.acpa.org.uk>



(ii) <http://www.aicpa.org/BecomeACPA/Pages/BecomeaCPA.aspx>



(iii) <http://www.cpaireland.ie>



24. As can be seen from the following FAQs on the CPAuk website, American CPA status entitles a holder of the certification to membership of the Association of Certified Public Accountants in the UK, which indicates that the number of professional accountants holding the certification would be high:

Q9. Does my American CPA status entitle me to membership of the Association of Certified Public Accountants in the United Kingdom?

A9. Yes.

I have not been able to establish how many Certified Public Accountants there are in the UK, but the following article, taken from a 2009 edition of the Guardian online states that there are nearly 280,000 professionally qualified accountants.

[Taken from: www.theguardian.com/commentisfree/2009/jun/13/accountants-audit-corruption-fraud](http://www.theguardian.com/commentisfree/2009/jun/13/accountants-audit-corruption-fraud)

A nation of accountants

The growing industry has aided corruption, fraud and unethical governance. Why does the state help it audit society at a profit?



Prem Sikka

theguardian.com, Saturday 13 June 2009 14.00 BST

 [Jump to comments \(65\)](#)

The UK has about 50,000 family doctors, but nearly 280,000 professionally qualified accountants (pdf), often earning exorbitant salaries. That is almost the highest number per capita in the world and more than the rest of the European Union put together. Unsurprisingly, nearly 165,000 students are registered with the UK accountancy trade associations to become professional accountants. In addition, probably more than 100,000 are studying for accounting and business degrees at UK universities and colleges, dwarfing the numbers studying engineering, mathematics and sciences. A record number of graduates are making a career in accounting.

25. There is nothing in the sign to indicate that the mark is the property of any one association or organisation, or that it is a collective mark. Taking into account the fact that a number of associations or organisations provide the qualification and use the sign, and that, from the research referred to above, there also appears to be a significant number of holders of a CPA qualification, I do not consider the average consumer would perceive 'CPA' as indicating goods and services originating from members of any one single association or organisation. Instead, the sign would merely be perceived as indicating goods and services relating to, or provided by, a qualified professional accountant. In the circumstances I am maintaining the *prima facie* objection raised under section 3(1)(c).

26. Having found that to be the case, it effectively ends the matter. However, in case I am found to be wrong in this regard, I will go on to determine the matter under section 3(1)(b). I should at this point stress that since the objection has been made under section 3(1)(c), this automatically engages section 3(1)(b). However, it can be useful to also consider section 3(1)(b) in its own right - the scope of the two provisions is not identical, and marks which are *not* descriptive under section 3(1)(c) can nonetheless be devoid of any distinctive character.

Section 3(1)(b)

27. I approach this ground of objection on the basis of the following principles derived from the CJEU cases referred to below:

- An objection under section 3(1)(b) operates independently of objections under section 3(1)(c) (see *Linde AG (and others) v Deutsches Patent-und-Markenamt*, Joined Cases C-53/01 to C-55/01, paragraphs 67 to 68);
- For a mark to possess a distinctive character it must identify the product (or service) in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product (or service) from the products (or services) of other undertakings (*Linde* paragraphs 40-41 and 47);
- A mark may be devoid of distinctive character in relation to goods or services for reasons other than the fact that it may be descriptive (*Postkantoor* paragraph 86);
- A trade mark's distinctiveness is not to be considered in the abstract but rather by reference to the goods or services in respect of which registration is sought and by reference to the relevant public's perception of that mark (*Libertel Group BV v Benelux Merkenbureau*, Case C-104/01 paragraphs 72-77);
- The relevant public must be deemed to be composed of the average consumer who is reasonably well-informed and reasonably observant and circumspect (*Libertel* paragraph 46 referring to Case C-342/97 *Lloyd Schuhfabrik Meyer*).

28. Furthermore in relation to section 3(1)(b), it was held in *Postkantoor* that:

"In particular, a word mark which is descriptive of characteristics of goods or services for the purposes of Article 3(1)(c) of the Directive is, on that account, necessarily devoid of any distinctive character with regard to the same goods or services within

the meaning of Article 3(1)(b) of the Directive. A mark may none the less be devoid of any distinctive character in relation to goods or services for reasons other than the fact that it may be descriptive” (paragraph 8).

29. I do not consider that a mark should necessarily escape objection where it is considered too imprecise a term to indicate a direct and specific relationship with the goods or services at issue without further thought, but is, in some sense, more generally non-distinctive. Anna Carboni, sitting as the Appointed Person in *COMBI STEAM* (O-363-09), conveniently summarised the leading case law in respect of this part of the Act:

“It has been said that lack of distinctive character is the essence of any objection under section 3(1)(b), (c) or (d) of the Act and that, despite its position in the list, section 3(1)(b) performs “a residual or sweeping-up function”, backing up the other two provisions, which contain specific and characteristic examples of types of marks that lack distinctive character: Procter & Gamble Ltds Trade Mark Application [1999] RPC 673 (CA) per Robert Walker LJ at 679. If a trade mark is entirely descriptive of characteristics of goods or services (and thereby prohibited from registration under section 3(1)(c)), it will also be devoid of any distinctive character under section 3(1)(b): Koninklijke KPN Nederland BV v Benelux-Merkenbureau Case C-363/99 (POSTKANTOOR) [2004] ETMR 57 (ECJ) at [86]”.

30. For reasons already given, the Registrar considers the sign to be descriptive of specific characteristics of the goods and services. It is clear from the above guidance that if a mark is entirely descriptive of characteristics of goods or services, it will also be devoid of any distinctive character under section 3(1)(b). The mark gives the message that the goods and services are provided by a professional who has reached the required level of ability to achieve the qualification of certified or professional public accountant. There is nothing in the mark to indicate that the goods and services are provided by members of any one particular trade association or organisation responsible for providing this qualification. Therefore, if the average consumer is unable to distinguish which association or organisation is providing the goods or services offered under the sign ‘CPA’, then it is clear that the sign does not have the distinctive character to function as a collective mark and is therefore open to objection under section 3(1)(b).

Earlier acceptances

31. The agent has also argued that, in the interests of legitimate expectation and consistency, and given that the Registrar has previously accepted one of the applicant’s earlier marks (i.e. UK registration number 2589893 ‘CPA AUSTRALIA’), this mark should be accepted. In response to this point, I refer to comments made in the Appointed Person’s decision on *Jetski Safaris* (BL O/420/1), where it was simply stated that:

“it is, in any event, not appropriate to take into account the state of the Register when determining the registrability or unregistrability of the individual sign put forward for registration in the particular case now under consideration”.

Notwithstanding the fact that previous acceptances are not binding upon my assessment of this mark, I have also noted that the goods and services protected under the applicant’s

earlier registration are not directly related to the provision of a 'Certified Public Accountant', thereby making it even less relevant to the application in suit.

Claim to distinctiveness acquired through use

32. On 5 April 2012, the agent submitted evidence of acquired distinctiveness. This took the form of a witness statement of Mr Adam Awty, and further attachments and witness statements of Mr Leslie Craig Clements, Mr Michael Douglas Whalley, and Mr Graham Hambly:

Witness statement of Adam Awty

33. Mr Awty is Company Secretary for the applicant. In his statement, he confirms that the company was founded in April 1886 in Melbourne, with a London representative appointed in 1953 to promote the applicant's goods and services in the UK. Mr Awty claims that the applicant established a reputation as the European 'CPA' group from the time it was established in 1978. A branch was established in London in 1988 and an office was set up in London in November 2005. He goes on to say that the applicant owned and operated the website www.cpaeurope.org between 1997 and 2009.

34. The witness statement gives details of both the membership between the years 1997 and 2011, and the annual subscription fees between the years 2002 to 2011. In 1997, the annual membership was 578, rising to 1787 in 2007 and then falling to 1709 in 2011. The annual subscription fees rose from £216,621 in 2001 to £403,942 in 2011. The statement also gives details of the number of members recognised for their 30, 40 and 50 year award (in 2010, 5 members received a 30 year award, whilst 3 members received a 40 year award). Mr Awty then gives details of promotion and advertising in the UK, with annual advertising and related expenditure amounting to £317,700 in 2005, rising to £403,575 in 2011. The attachments to the witness statement are listed below:

Attachment 1:

A list showing that over 600 UK-based organisations employ a CPA (from within the UK) in various industries. The list does *not* state whether the CPA is one certified by the applicant or by other associations who offer the certification.

Attachment 2:

This constitutes search results a page taken from www.gaapweb.com, a recruitment website, dated 8 December 2011. The website shows recruitment advertisements for organisations wishing to employ a CPA.

Attachment 3:

This gives examples of advertising and sponsorship in various magazines and newsletters e.g. 'NQ Magazine', 'PQ Magazine', 'TNT Magazine', and 'intouch' which is the official newsletter of the World Congress of Accountants. .

Attachment 4:

A spreadsheet from the applicant's accounting database itemising the applicant's promotion and advertising expenditure.

Attachments 5 - 46:

Invoices paid to various organisations and companies relating to promotion of the mark. Much of this promotion was in the form of the applicant exhibiting at events such as the 'Spring Graduate Fair' in Scotland, the 'Spring into Jobs Fair' at the University of Sheffield, Leeds University's 'Yorkshire Graduate Recruitment Fair', Cardiff University's exhibition at 'Spotlights on Graduates', and also in the form of advertising within the pages of publications such as PQ Magazine.

The witness statement of Graham Hambly

35. Mr Hambly is the Managing Director of PQ Publishing Limited, a company which publishes one of the UK's leading accountancy periodicals 'PQ Magazine', and also 'NQ' magazine for newly qualified accountants. He states that, as an award-winning journalist who has worked in accountancy since 1984, he is fully acquainted with the nature and extent of the applicant's business. He confirms that he has encountered the trade mark 'CPA' on numerous occasions, and also written, edited or published articles on CPA in both magazines. He states that *"...the CPA trade mark is a well known mark which is recognised throughout the United Kingdom in relation to accountancy services and related goods and services. The CPA has a well-earned reputation which it has built up over many years"*.

The witness statement of Leslie Craig Clements

36. Mr Clements is a Fellow of the Institute of Chartered Accountants in England and Wales and was, until his retirement in 2010, a Senior Partner in a London firm of Chartered Accountants. In 1989 he agreed to take on CPA Australia (i.e. the applicant) as a new client, and to act personally as the Chief Administrator of the CPA Group in the UK and Europe. He states that, at that time, the CPA brand was little known in the UK, but the organisation grew rapidly in membership, reputation and prestige. By 2005, UK numbers had grown so large that the applicant decided to set up a permanent branch office in London. Mr Clements states that he was responsible for gaining UK Government recognition of CPA Australia in two important and significant fields: firstly, in connection with the 'Skilled Migrant Points' system whereby the Home Office agreed to accord CPA members wishing to enter the UK points equal to those who hold a Masters Degree; and secondly, wherein H.M. Inspector of Taxes agreed to add CPA Australia to its published list of Approved Professional Bodies. Mr Clements concludes by saying that 'CPA' is a well known brand which is recognised and respected by employers throughout the UK, and that the applicant's reputation is well-earned, well-respected and continually growing.

The witness statement of Michael Douglas Whalley

37. Mr Whalley is a solicitor and director of Australian Business. He is also partner of a multinational law firm with offices in London and throughout the Asia Pacific region. In his statement, he confirms that he has dealt extensively with accountants, tax advisors and other legal and professional firms and is fully acquainted with the nature and extent of the applicant's business. Mr Whalley confirms that he has provided professional advice to CPA Australia in connection with the establishment of its representative office in the UK in 2001, and concludes by saying that 'CPA' is a well known trade mark which is recognised in the United Kingdom in relation to accountancy services and related services.

38. Prior to the *ex parte* hearing, on 29 July 2013, the agent submitted two further witness statements from Mr David Russell and Ms Lisa Hall.

The witness statement of Lisa Hall

39. Ms Hall is the ARC Faculty Lead for Accounting, Reporting and Control within BP's Financial University. Ms Hall states that she has worked closely with CPOA Australia over the last three years in support of enabling CPA members to pursue their continuous professional development. She added that she is familiar with the nature and extent of the business of CPA Australia in respect of the education and training it provides, and has encountered the mark 'CPA' since 2010 as a result of her role in learning and development. Ms Hall also states that she has attended several seminars and events hosted or sponsored by CPA Australia.

The witness statement of Dr. David Russell

40. Dr Russell is the Head of Department, Accounting and Finance, Leicester De Montfort University, and is a qualified accountant with Fellow status of three separate professional accountancy bodies. He confirms that he is fully acquainted with the nature and extent of the business of CPA Australia; that he has encountered the mark 'CPA' on numerous occasions in the course of his career; that he has attended industry functions that were hosted or sponsored by CPA Australia; and that the applicant company has participated in jobs fairs and career events at De Montfort University. Dr Russell states that the 'CPA' mark is well known in relation to accountancy services and related goods and services, with a reputation built up over many years, and he confirms that students completing the BS (Hons) Accounting and Finance Degree at De Montfort University are eligible to be awarded exemptions from the CPA Australia course.

The case for registration based on distinctiveness acquired through use

41. The question to be determined is whether, through the use made of it, the sign applied for has acquired a distinctive character in respect of the goods and services for which registration is sought. In doing so, this question must be asked through the eyes of the average consumer who is reasonably well informed, observant, and circumspect (*Lloyd Schufabrik Meyer & Co. GmbH v. Klijsen Handel BV*, C-342/97[1999] ECR I-3830 para 26). In this case, at paragraph 21 above, I have identified the average consumer as being either the general public, and/or those in the accountancy profession (or aspiring to join it), and/or businesses at large.

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

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

- a trade mark acquires distinctive character following the use which has been made of it where the mark has come to identify the product in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product from goods of other undertakings;

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

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

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

43. I am also mindful of the CJEU decision in *Bovemj Verzekeringen NV v Benelux Merkenbureau (Europolis)* C-108/05, where it was held that a trade mark may be registered on the basis of acquired distinctiveness “...only if it is proven that the trade mark has acquired distinctive character through use throughout the territory of a member state”.

44. Taking into account all the information in the witness statements and exhibits, I do not consider that, at the time of application, the evidence shows that the mark has become distinctive because of the use made of it. In particular, in the context of the guidance set out in case law, I am not convinced that a significant proportion of the relevant class of persons identify the goods and services as those being provided by a member of the association, i.e. the applicant.

45. I consider it safe to assume that a reasonable number of professionally-qualified accountants will be CPAs. I make this assumption partly on the basis of the statement on the CPAuk website (see paragraph 24) that “*there are more CPA’s in the world than any other type of accountant*”. The witness statement of Adam Awty claims that “*my company has a substantial number of members within the UK*”. However, the figures given for membership do not substantiate this claim. For example, in 2004 there were 1202 members, in 2007 there were 1787 members, and that number fell in 2011 to 1709 members. Given that the applicant’s claim to the mark’s capacity to distinguish is based on its alleged dominance of the accountancy sector, and given the sheer number of qualified accountants no doubt operating in the UK, one would expect to see the applicant’s membership numbers to be much higher. The figures given in the witness statement do not indicate this to be the case.

46. Regarding promotional and advertising expenditure, the figure of £43,750 for 2011 seems reasonable. However, the exhibits provided do not show the mark in use. The invoices for the advertising and promotional expenditure do show what was spent and who was paid, but they do not show the mark actually in use. Where the letters CPA do appear in

the exhibits, they appear, as displayed in Attachment 3 submitted with the witness statement of Mr Awty, as the sign 'CPA Australia' with a logo.

47. Attachment 2 shows the results of a search for 'CPA' jobs, and only demonstrates that certain organisations wish to employ those who are CPA qualified. It does not assist in showing that the applicant's mark has gained distinctiveness through use - these job advertisements could refer to accountants who have been certified by *any* of the bodies who award such certification status. As pointed out above, organisations other than the applicant also provide such certification status.

48. Turning to the witness statements from Graham Hambly, Leslie Craig Clements, Douglas Whalley, Dr David Russell and Lisa Hall, I have to point out that these statements are from professionals who do not represent a broad cross-section of the average consumer for whom the goods and services are intended. In respect of Mr Clements, he acted for the applicant as the Chief Administrator in the UK, whilst Mr. Whalley provided professional advice to them in relation to their formation of an office in the UK. Dr Russell, as the Head of Department of Accounting and Finance at De Montfort University, has used the CPA trade mark by way of licence from the applicant. Ms Hall, in her role of ARC Faculty Lead for Accounting and Control in BP has attended several seminars and events sponsored by the applicant, whilst Mr Hambly has written, edited or published articles on the applicant. One would expect the suppliers of these statements to be aware of the applicant and of their collective mark. However, demonstration of such awareness on the part of these five individuals does not show that the average consumer - ranging from the general public, to business people, to those seeking a professional accountancy qualification - would see the mark as indicating an affiliation with any one particular organisation which grants certification status.

Conclusion

50. In my view, the sign would not be seen as an indicator of origin without first educating the consumer that it performs the function of a collective mark. Taking into account the guidance set out in relevant case law and the documents and exhibits filed, I consider the evidence filed fails to show that, at the date of application, the average consumer had been educated into seeing the sign as indicating that the goods and services are provided by members of the applicant association. They could equally be provided by members of any association which provide a means to obtaining the 'CPA' qualification. The mark is therefore excluded from acceptance because it fails to qualify under section 3(1)(b) & (c) of the Act.

Dated this 3rd day of March 2014

Linda Smith
For the Registrar
The Comptroller-General