

O-322-03

TRADE MARKS ACT 1994

IN THE MATTER OF:

APPLICATION No. 2269137

TO REGISTER A SERIES OF TRADE MARKS

IN CLASSES 9 AND 35

IN THE NAME OF GATEWAY INC.

DECISION

series applications

1. Under section 41 of the Trade Marks Act 1994 it is possible to file a single application for registration of a series of trade marks i.e. “*a number of trade marks which resemble each other as to their material particulars and differ only as to matters of a non-distinctive character not substantially affecting the identity of the trade mark*”. As noted by Professor Annand in her decision in Logica Plc’s Application (SRIS 0/068/03, 5 March 2003) the practice of allowing two or more marks to be included in a single application for registration is anomalous, both in the context of Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks and in the context of Council Regulation 40/94 of 20 December 1993 on the Community trade mark. The United Kingdom and Ireland appear to be the only Members of the European Union in which the anomaly exists.

2. The application for registration is made in accordance with the provisions of rule 21(1) of the Trade Marks Rules 2000:

The proprietor of a series of trade marks may apply to the registrar on Form TM3 for their registration as a series in a single registration and there shall be included in such application a representation of each mark claimed to be in the series; and the registrar shall, if satisfied that the marks constitute a series, accept the application.

The acceptance contemplated by rule 21(1) is acceptance for the purposes of collective examination, advertisement, opposition and registration under sections 37 to 40 of the Act.

3. A relatively high degree of homogeneity is required in order to ensure that the marks included in the application can be treated as uniformly eligible or uniformly ineligible for protection by registration. The wording of section 41(2) establishes that there must and can only be iteration of the material particulars of a trade mark with variations of a non-distinctive character not substantially affecting the identity of the trade mark thus reiterated. Each of the marks in question should be considered as a whole, from the perspective of the average consumer of the goods or services concerned, when assessing whether they form a series of the kind contemplated by the Act.

4. Section 41(2) permits less variation between marks than section 46(2) of the Act (article 10(2)(a) of the Directive; article 15(2)(a) of the CTMR). Variations can be treated as inconsequential under the latter provisions if they “*do not alter the distinctive character of the mark*” for which protection is claimed, but must also have no substantial effect on “*the identity of the trade mark*” in order to be acceptable under section 41(2).

This reinforces the point that marks can be distinctively similar without necessarily satisfying the statutory requirements for registration as a series.

series objections

5. Under section 37(3) of the Act the Registrar must, if she considers that the requirements for registration of marks as a series are not met, inform the applicant and give him an opportunity to make representations or amend the application within such period as she may specify. If the applicant fails to satisfy the Registrar that those requirements are met, or to amend the application so as to meet them, or fails to respond before the end of the specified period, the application must be refused under section 37(4) of the Act.

6. An applicant who is prepared to accept the Registrar's conclusion that his application for registration is not acceptable under section 41(2) may wish to put forward proposals for division and/or amendment of the application with a view to achieving registration on a revised basis.

7. An applicant who wishes to challenge the Registrar's conclusion that his application is not acceptable under section 41(2) is in a more difficult position. He needs to reserve the right to make use of the provisions relating to division and amendment in case his challenge to the Registrar's determination is rejected on appeal. For that to be possible, the determination under section 41(2) must precede any refusal of acceptance under section 37(4). If the Registrar simply refuses an application under section 37(4) on the basis of a contested objection under section 41(2) the refusal would (for as long as it

remained in place) be a bar to division or amendment: there would be no pending application to revise.

8. It is clear that an application should not be refused under section 37(4) unless a duly notified objection is, within the period of time specified by the Registrar under section 37(3), either: (i) not contested; or (ii) contested, but not resolved. The length of the specified period should be sufficient to allow time for an effective response to the relevant objection. Extensions can be granted under rule 68 as the circumstances of the case may require.

9. I think that the right course, in a case where an applicant may wish to take steps to resolve a contested objection, is for the Registrar to notify the applicant under section 37(3) of her determination that the requirements for acceptance as a series under section 41(2) and rule 21(1) are not met and specify a period of **x** weeks from the date of the determination (or the disposal, including withdrawal, of any appeal therefrom) within which final refusal of the application under section 37(4) may be avoided by appropriate corrective action. A further determination might be issued in similar terms if it subsequently becomes necessary or expedient to do so in relation to the corrective action that the applicant proposes to take. That is not to say that the operation of section 37(4) should be postponed to allow time for half-hearted or random attempts at corrective action.

the present application

10. In the present case, Gateway Inc (*“the Applicant”*) applied under number 2269137 on 3 May 2001 for registration of a series of 17 (later reduced to 15) marks in Classes 9 and 35. The 15 marks still in issue are set out in Annex A to this decision. The goods and services specified in the application for registration were as follows:

Class 09:

Computers; computer peripherals and fittings; computer accessories including shaped covers; mouse mats, anti-static screens; and computer software.

Class 35:

Retail, mail order and internet selling services relating to computers and computer peripherals, fittings and accessories and the demonstration of other products.

11. The Registry raised an objection to acceptance under rule 21(1) on the basis that the marks identified in the application did not constitute *“a series”* as defined in section 41(2) of the Act. A hearing was appointed to consider the objection. It took place before Mr Ian Peggie, acting on behalf of the Registrar, on 16 November 2001. The official record of the hearing notes the outcome as follows:

After much discussion I agreed that some of the marks could be regarded as individual series within the application. In my opinion the application could proceed as three marks consisting of:-

1. Versions F and L.
2. Those consisting of 3 spots.
3. Those consisting of 4 spots.

The agent will provide information demonstrating how the application is used in practice and I agreed to consider this material.

3 months allowed.

The Applicant's representative intended to file evidence with a view to persuading the Hearing Officer that the marks in issue ought to be accepted as a single series and not divided as had been suggested.

12. Thereafter a Statutory Declaration of Aideen McCracken with 16 exhibits dated 9 May 2002 was filed under cover of a letter dated 13 May 2002 in which it was submitted that *"it is very clear from this evidence that the trade mark as used is the black spot on the white background rather than any specific configuration, and therefore all of the different representations contained within this series are simply particularly configurations which fall within the ambit of the trade mark as used "* and further submitted that *"all of the marks do form a series and the different disposition of spots does not in any sense alter the character of the trade mark."* The Applicant specifically asked for an opportunity to divide the application if these arguments were not accepted.

13. Exhibit AM1 to the Statutory Declaration contained extracts from the Applicant's 1998 Corporate Identity Manual which included the following comments:

Gateway Brand Icons: The Spots

Cow spots are an important part of the Gateway brand image, representing the company's Midwestern, agricultural roots and the Waitt family's four-generation cattle business. Cow spots are our strongest brand icon and are used in some way in nearly every communication piece we produce. They're so important in fact that we promoted them right into our logo.

However, we need to be careful not to overdo it with cow spots. It's easy to use too many and, over the years, overuse has diluted the meaning and specialness of our cow-spot design. Spots are only one element of the Gateway Corporate Identity Program and should be used sparingly, as an accent rather than the primary design element – after all, the spots appear whenever you use the logo.

The SPOT MATRIX is a library of 17 pre-approved spots designed to achieve the following results:

- Eliminate the need for hand-drawn spots or job-specific spot creation.
- Give users an easy-to-use tool to create applications that require spots.
- Achieve a consistent look that will enhance the corporate identity and the Gateway brand.
- Allow users to focus more on message content and other design elements.

The text was accompanied by illustrations of the 17 pre-approved spots. The evidence as a whole established that the Applicant had used a wide variety of spot combinations and layouts.

14. The Registry responded in a letter of 17 June 2002 saying that although the concept or idea of the black and white cow hide device as an indication of the Applicant's products was accepted, the Hearing Officer adhered to the view that the marks in issue differed as to their material particulars and were therefore ineligible for registration as a single series. The Applicant indicated in a letter sent on 9 August 2002 that it would wish to appeal against any formal decision to refuse acceptance of the marks as a single series.

15. At that point the Registry changed its position as to the divisibility of the application into separate series. It informed the Applicant in a letter sent on 4 October 2002 that:

On reconsideration of the objection, Mr Peggie has concluded that in fact none of the marks applied for are a series and the proposal made at the hearing held on 16 November 2001 is withdrawn.

The marks possess a low level of distinctive character and therefore any variation such as the number of spots, size of spots or configuration of spots within each individual mark is a material particular which affects the identity of each mark.

The Applicant then asked for its application for registration of the marks as a series to be formally refused so that a statement of reasons for the decision could be obtained under rule 62(2) as a prelude to an appeal under section 76 of the Act.

16. On 14 February 2003 the Registry informed the Applicant that its application had been refused under section 37(4) of the Act on the basis of the objection under section 41(2). The Decision and Grounds of Decision were issued on 9 April 2003.

the Decision and Grounds of Decision

17. The Hearing Officer explained his reasons for refusing the application in the following terms:

13. I consider that the variations such as the number of spots, the shape of spots or configuration of spots within each individual mark to be a material particular which affects the visual identity of each mark. The distinctive character of each mark is in the different combination of shapes and elements which make up that particular mark.

....

17. In this application the identity of the marks is substantially affected by the visual differences and the material particulars of the marks therefore vary. In some cases the marks consist of three spots whereas in others they consist of four spots. In addition the relative size and shape of the spots within the marks creates a visually different identity. I do not consider that any conceptual similarity is sufficient to give the marks a substantially identical character in the face of these significant visual differences.

18. Given the differences between the marks applied for I am satisfied that the marks contained within this application differ as to their material particulars in such a way that they do not satisfy the requirements of Section 41(2) of the Act.

There are two related omissions from the decision. First, there is no mention of the proposal for division which the Hearing Officer had been prepared to accept at the hearing on 16 November 2001 (see paragraph 11 above). Second, it is not affirmed that the marks in issue possess a low level of distinctive character or were for that reason considered to be incapable, in all possible sub-combinations, of forming ‘*a series*’ within the meaning of the Act (see paragraph 15 above).

contentions on appeal

18. The Applicant gave notice of appeal to an Appointed Person. In substance it contended: (a) that the Hearing Officer had erred by not assessing the marks in issue from the perspective of the average consumer of the goods and services concerned; (b) that he had wrongly adopted a test of ‘visual identity’ that made it practically impossible for there to be any noticeable ‘visual differences’ between non-verbal marks presented for registration in series; (c) that visual differences of the kind observable in the marks in issue were acceptable in a single series under section 41(2) because the marks were distinctively similar to such a degree that they would ‘ring the same bell at the same pitch’ in terms of their effect upon the perceptions and recollections of the relevant

average consumer; (d) that even if the application was unacceptable as it currently stood, the Applicant should be given the opportunity to take appropriate corrective action with a view to neutralising the objection. It was confirmed that the Applicant would be willing to add a colour claim or limitation under section 13 of the Act for the purpose of ensuring that the marks in issue were specifically identified as black-on-white devices.

19. On behalf of the Register it was contended: (a) that the decision was written in circumstances which made it clear that the Hearing Officer was aware of the need to assess the impact of the marks in issue from the perspective of the average consumer; (b) that the Applicant's arguments as to distinctive similarity did not give full effect to the overriding requirement for identity to be only insubstantially affected by the differences observable on comparison of the marks in the proposed series; (c) that the identity of a mark could not for this purpose be taken to reside Platonically in the concept which it exemplified, still less in the concept which it and others like it collectively exemplified; (d) that the Hearing Officer's decision to maintain the objection under section 41(2) involved the exercise of judgment in a manner which was clearly right or, at the very least, not clearly wrong; (e) that the decision to refuse the application in its entirety was requested by the Applicant and could properly be taken to have been requested on the basis that the Applicant wanted nothing less than acceptance of the marks in issue as a single series. No objection was raised to the addition of a colour claim or limitation as necessary for the purpose noted above.

assessment

20. I consider that the identity of a mark resides in its specific individuality, assessed according to the way in which it would be perceived and remembered by the average consumer of the goods or services concerned. The average consumer is for that purpose taken to be reasonably well-informed and reasonably observant and circumspect. Marks presented for registration as a series must each be assessed from that perspective when they are being compared for the purpose of determining whether they satisfy the requirements of section 41(2) cf BUD and BUDWEISER BUDRÄU Trade Marks [2002] EWCA Civ 1534; [2003] RPC 25, p.477 at paragraph 10 per Sir Martin Nourse and paragraphs 43 to 46 per Lord Walker of Gestingthorpe. The need for comparison of the marks *inter se* is clear. The intensity of the examination that may be needed in order to arrive at a conclusion on the acceptability of a series application can be seen from the decision issued under the parallel provisions of the Trade Marks Act 1955 (Cth) in Re Application by Johnson and Johnson (1993) 28 IPR 167. Round observations as to the general nature or common characteristics of the marks in issue are seldom, if ever, likely to be sufficient. The statute calls for a finding that all visual, aural and conceptual differences are insubstantial in terms of their effect upon the identity of the reiterated trade mark.

21. At the hearing of the appeal I was invited, both by the Applicant and by the Registrar, to look at different pairs of the marks in issue with a view to testing the cogency of the arguments being advanced. It seemed to me that although the marks in issue could not be said to form a single series of the kind contemplated by the Act, the ‘all

or nothing' outcomes contemplated by the rival contentions would not give due effect to the relevant statutory provisions. In other words, I believe there is room for the identification of sub-combinations of the marks that would satisfy the requirements of section 41(2).

22. Each of the marks in issue comprises 3 or 4 black spots -- all of irregular shape, none of the same shape or size as the others -- laid out on a white background in a spatial relationship designed to present a particular pattern to the eye of the observer. It can be seen from Annex A that every mark in the proposed series represents a different black-on-white pattern. In each case the identity of the mark resides in the specific individuality of the pattern thus represented. The differences between the patterns cannot be taken to involve "*matters of a non-distinctive character not substantially affecting the identity of the trade mark*" if they are sufficiently significant to modify the distinctive character of the patterns in the perceptions and recollections of the relevant average consumer.

23. To compare each mark with every other in the proposed series of 15 marks would require 105 different comparisons. The 105 pairings that would need to be examined are set out in Annex B to this decision. The Applicant may or may not be right when it says that all of the marks in issue would be perceived and remembered by the relevant average consumer as cow spot devices. I do not need to find that the Applicant is wrong on that point in order to conclude that there are differences which are sufficiently significant to modify the distinctive character of the marks in issue according to their impact on the perceptions and recollections of the relevant average consumer. It appears to me that examples of this are provided by comparisons 4, 21, 33, 51 and 77 in Annex B. The

existence of such differences prevents acceptance of the marks as a single series under section 41(2) and rule 21(1).

24. I do not have the benefit of the Hearing Officer's views on any particular sub-combinations of the marks in issue and I am therefore wary of going too far into the question of revision of the application at this stage of the proceedings. That said, it appears to me (as it did to the Hearing Officer at the hearing which took place on 16 November 2001) that there is some scope for corrective action on the part of the Applicant with a view to neutralising the existing objection under section 41(2). I do not endorse the view that it would be sufficient for the Applicant simply to divide the application into one for 3-spot marks and another for 4-spot marks. However, I do see room for the view that there are marks among the proposed series of 15 that might be regarded as sufficiently similar to survive scrutiny of the kind which has led me to conclude that the existing series is unacceptable as a whole. Comparisons 20, 69, 71, 96 and 105 in Annex B might be seen as examples of that, but such matters are for the Registrar to decide in the first instance and I do not wish to pre-empt the position in that regard.

25. In the circumstances summarised in paragraphs 11 to 16 above, I do not think it was right to deny the Applicant an opportunity to take appropriate corrective action under section 37(3) with a view to neutralising the objection raised in relation to the proposed series as a whole.

conclusion

26. I uphold the Registrar's refusal to accept the application for registration of the 15 marks as a series under section 41(2) and rule 21(1). However, I consider that the Applicant should have been notified of such refusal under section 37(3) and given the opportunity to avoid final refusal of the application under section 37(4) by taking corrective action within a specified period following notification of the decision to refuse acceptance (or the disposal, including withdrawal, of any appeal therefrom). In my view, the final refusal of the application under section 37(4) was unnecessary and inappropriate given that the Applicant legitimately wished to pursue the possibility of taking corrective action if (as has now happened) the objection under section 41(2) was upheld on appeal.

27. So that the Applicant may have the opportunity which I think it should have been given to take appropriate action in response to that objection, I shall:

(1) set aside the decision refusing acceptance of Application Number 2269137 under section 37(4) of the 1994 Act;

(2) substitute for that decision a decision: (a) refusing acceptance of the Application under section 41(2) of the Act and rule 21(1) of the Trade Marks Rules 2000; and (b) allowing the Applicant a period of 8 weeks from the date of this decision within which to respond under section 37(3) of the Act with a request to the Registrar for amendment and/or division apt to render the Application unobjectionable under section 41(2);

(3) remit the Application to the Registrar for further processing under and in accordance with the provisions of the Act and the Rules.

(4) direct the Applicant to adopt a colour claim or limitation in a form acceptable to the Registrar for the purpose of ensuring that any of the marks in the Application which proceed to publication under section 38 of the Act are identified as black-on-white devices.

In keeping with the usual practice on appeals to this tribunal in respect of ex parte decisions of the Registrar, there will be no order as to costs.

Geoffrey Hobbs QC

20 October 2003

Mr Brian Dunlop of Messrs Wynne-Jones, Lainé & James appeared on behalf of the Applicant.

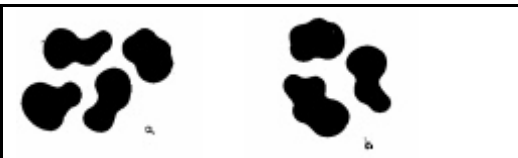

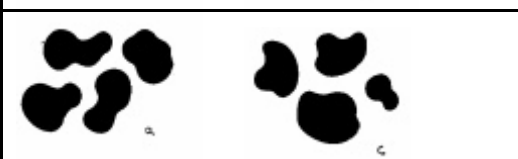

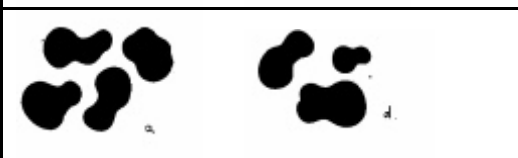



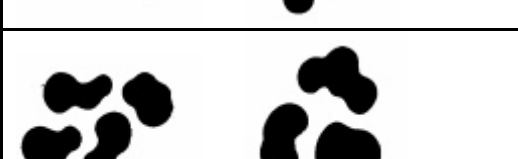
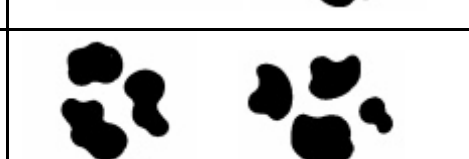
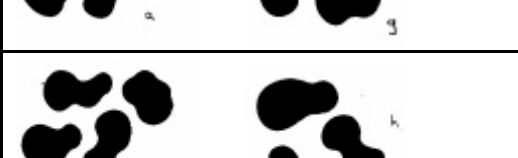
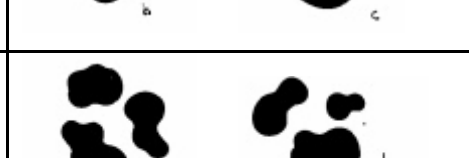

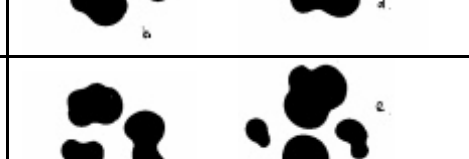






Mr Allan James, Principal Hearing Officer, appeared on behalf of the Registrar.





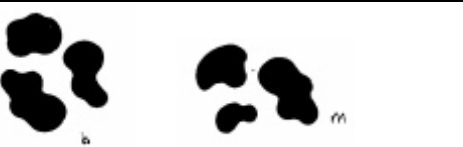


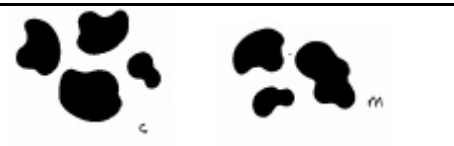
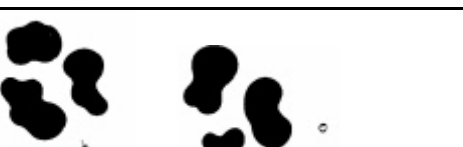
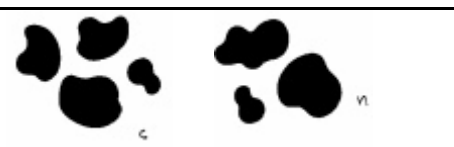
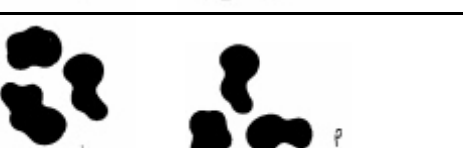
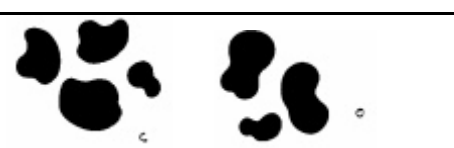

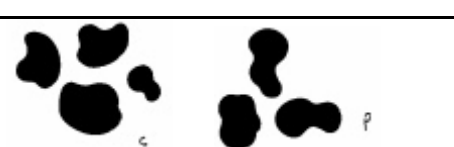
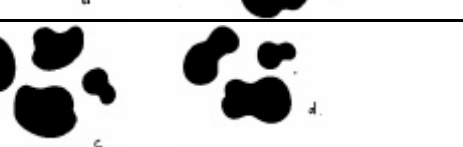
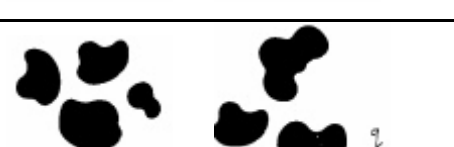




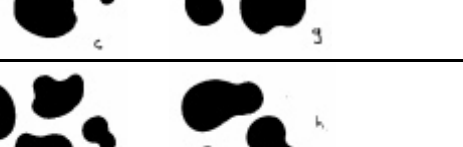
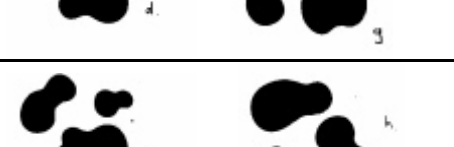
ANNEX A










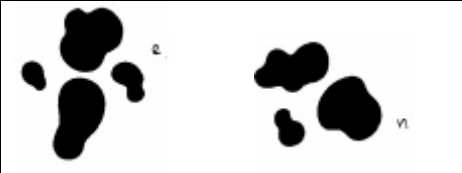








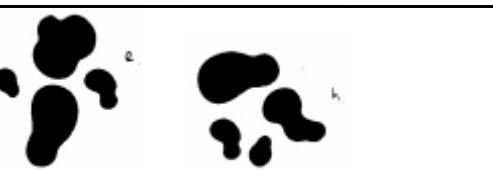
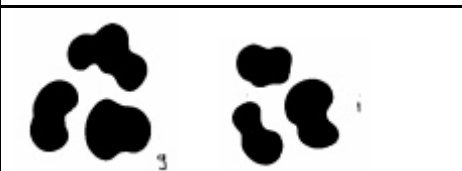


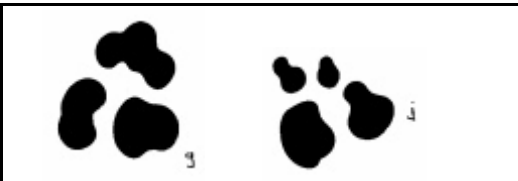
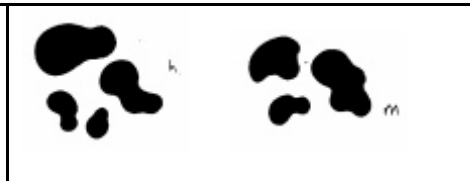

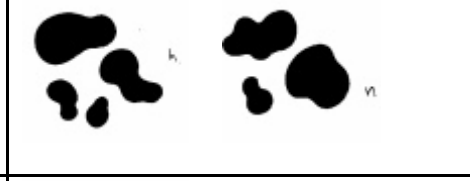
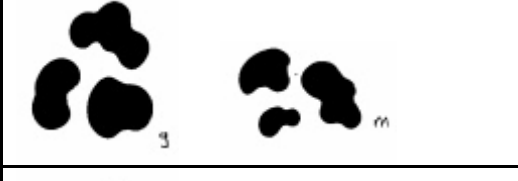










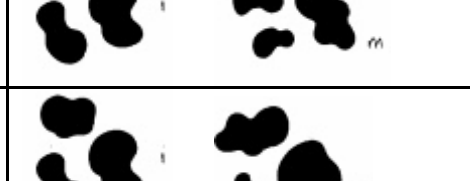

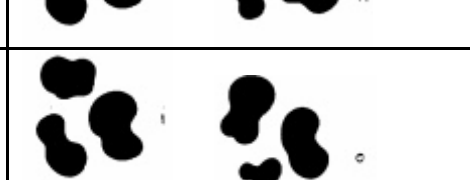
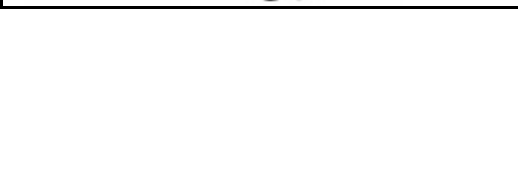

Note: marks (f) and (l) were deleted at the request of the Applicant in November/
December 2002.







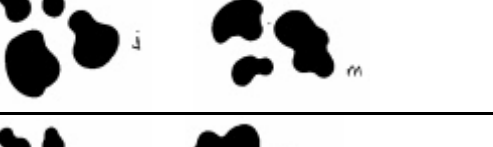


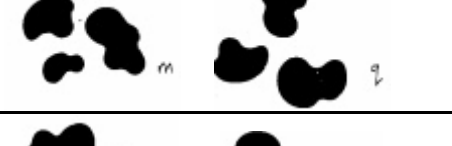
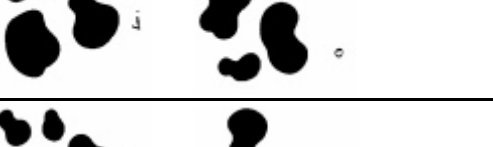
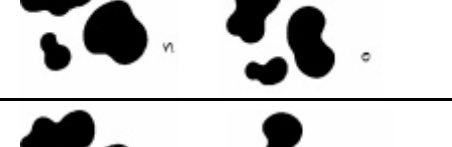


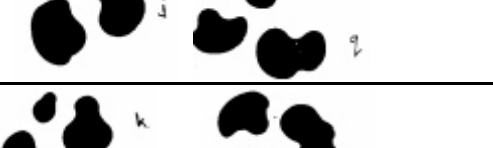
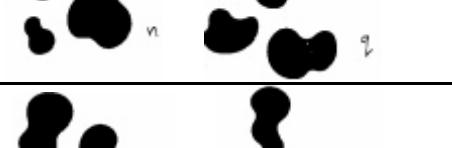
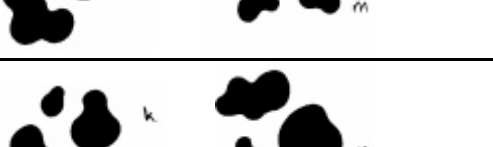
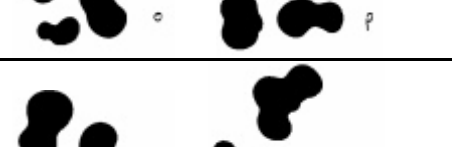

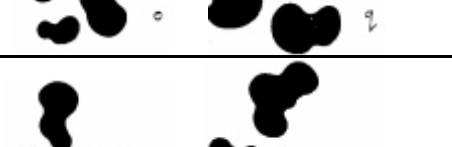
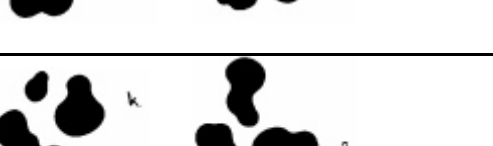
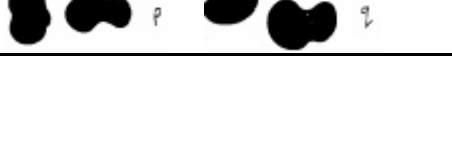
ANNEX B

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