

O/051/12

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION 2546584  
BY BBY SOLUTIONS INC.  
TO REGISTER THE FOLLOWING TRADE MARK  
IN CLASSES 35, 36, 37, 38, 41 AND 42**

**BEST BUY**

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### **IN THE MATTER OF APPLICATION NUMBER 2546584 BY BBY SOLUTIONS INC TO REGISTER THE FOLLOWING TRADE MARK IN CLASSES 35, 36, 37, 38, 41, 42**

#### **BEST BUY**

#### **Background**

1. On 4 May 2010 BBY Solutions, Inc. ('the applicant') applied to register the above mark for the following goods and services:

Class 35      Retail store services, including online retail store services, in the field of electronic apparatus and equipment for personal use, electrical and electronic household appliances, hand tools, optical goods, domestic electrical and electronic equipment, home theatre equipment, photographic equipment, cellular phones, telecommunications products and services, information technology products, video equipment audio equipment, portable electronic devices and related accessories, personal computers and home office products, imaging equipment, digital equipment, video and electronic games, video and electronic game equipment and accessories, discs, digital versatile discs or DVDs, audio and video recordings, ring tones, gift cards, books, magazines, batteries, automotive audio equipment, motor vehicles and their parts and accessories; provision of product information and consumer advice relating to the foregoing; promoting the sale of the goods and services of others through customer loyalty and incentive programs for retail customers; promoting the use of credit cards through customer loyalty and incentive programs for retail customers; retail sale of consumer electronics via automated kiosks; retail store services, including online retail store services, in the fields of electronic equipment and computer hardware, servers, monitors, imaging equipment, storage devices, networking devices, portable electronic equipment and photographic equipment, and peripherals, supplies, and accessories related to the foregoing, and computer software for businesses, government institutions, and educational institutions; providing product information and advice relating to electronic equipment and computer software for businesses, government institutions, and educational institutions.

- Class 36 Credit card services; prepaid purchase card services, namely, processing electronic payments made through prepaid cards; providing extended warranties on consumer electronics equipment and major household appliances.
- Class 37 Installation, maintenance, and repair of consumer electronics, major household appliances, home theatre equipment, photographic equipment, cellular phones, telecommunications products, information technology products, video equipment, audio equipment, portable electronic devices and related accessories, personal computers and other home office products, imaging equipment, digital equipment, video and electronic games, video game equipment and accessories, automotive audio equipment, motor vehicles and their parts and accessories; installation, maintenance, and repair of electronic equipment and computer software for businesses, government institutions, and educational institutions.
- Class 38 Information and advisory services relating to telecommunications products and services; providing access to music, video, software and video and electronic game files via the Internet and other telecommunications networks; electronic transmission of streamed and downloadable audio and video files via the Internet and other telecommunications networks.
- Class 41 Entertainment services, namely providing web sites and online databases featuring music, videos, ring tones, computer games, and other entertainment-related content; providing online educational and entertainment publications, namely, reviews, articles, and product comparisons in the field of consumer electronics, major household appliances, home theatre equipment, photographic equipment, cellular phones, telecommunications products and services, information technology products, video equipment, audio equipment, portable electronic devices and related accessories, personal computers and other home office products, imaging equipment, digital equipment, video and electronic games, video and electronic game equipment and accessories, entertainment furniture, computer software, entertainment software; compact discs, digital versatile discs or DVDs, audio and video recordings, ring tones, gift cards, books, magazines, batteries, automotive audio equipment, motor vehicles and their parts and accessories.
- Class 42 Providing a web site featuring temporary use of non-downloadable software allowing web users to upload on-line videos and photos for sharing with others.

2. On 21 May 2010, the Intellectual Property Office ('IPO') issued an examination report in response to the application. In the report, an objection was raised against all classes under section 3(1)(b) of the Trade Marks Act 1994 ('the Act') on the grounds that the mark is devoid of any distinctive character being, in the examiner's words, "an advertising strap line alluding to the quality of the services that can be purchased." An objection was also raised under sections 3(1)(b) & (c) in classes 35 and 41 because the mark consists exclusively of the words 'BEST BUY', being "a sign which may serve in trade to designate the nature or type of the services being supplied e.g. provision of product information and consumer advice in Class 35 or providing online educational and entertainment publications, namely, reviews, articles and product comparisons in Class 41; all of which offer an informed opinion on what is the best buy (in terms of cost and performance) product to purchase." Classification queries were also raised against class 35.

3. On 21 July 2010 the agent responded addressing the specification objections. He also included evidence with a view to overcoming the objection raised under section 3(1) by proving distinctiveness acquired through use. The examiner concluded that the evidence was insufficient to overcome the objection and responded to the agent on 30 November 2010 maintaining the objection.

4. On 19 January 2011 the agent requested an *ex parte* hearing which took place on 20 April 2011. At the hearing, the agent explained that although the applicant's first store had only opened shortly before the date of application, there had been sufficient media interest to demonstrate that the mark had become distinctive. I informed the agent that I would again review the evidence to determine whether the mark had acquired distinctive character before the date of application. Having done so, I did not consider that the mark had become distinctive because of the use made of it.

5. On 5 July 2011 the agent informed IPO that the applicant did not propose to file further evidence of acquired distinctiveness. A formal notice of refusal was issued on 12 July 2011, and on 12 August 2011 the agent submitted a form TM5 requesting a statement of reasons for the Registrar's decision.

6. 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.

7. Prior to the hearing, little discussion was exchanged in respect of the mark's inherent capacity to denote trade origin. As has been documented above, the applicant proceeded almost immediately to submitting evidence in support of a claim to acquired distinctiveness. Although I have assessed the evidence in later paragraphs of this decision, it is important that I first set out the Registrar's position in respect of the *prima facie* case.

## **The *prima facie* case for registration under Section 3(1)(c) - classes 35 and 41**

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

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

(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,

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. The proviso to Section 3 is based on the equivalent provision of Article 3(3).

### **Relevant authorities – general considerations**

9. The European Court of Justice (ECJ) 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 on the Community Trade Mark, 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..

10. The general interest to be taken into account in each case must reflect different considerations according to the ground for refusal in question. Thus, 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” *SatellitenFernsehen 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).

11. There are a number of ECJ judgments which deal with the scope of Article 3(1)(c) of First Council Directive 89/104 and Article 7(1)(c) of Council Regulation 40/94 (the Community Trade Mark 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);
- thus 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);
- if a mark which consists of a word produced by a combination of elements is to be regarded as descriptive for the purposes of Article 3(1)(c) it is not sufficient that each of its components may be found to be descriptive, the word itself must be found to be so – (*Postkantoor*, paragraph 98);
- merely bringing together descriptive elements without any unusual variations as to, for instance, syntax or meaning, cannot result in a mark consisting exclusively of such elements escaping objection (*Postkantoor*), paragraph 98;
- 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).

- In *Matratzen Concord AG v Hukla Germany SA*, C-421/04 the ECJ stated “...in fact, 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 CFI) in *Ford Motor Co v OHIM* T-67/07 where it was stated: “...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”.

12. It is clear from the aforementioned case law that I must determine whether, assuming notional and fair use, the mark in suit will be viewed by the average consumer as a means of directly designating an essential characteristic – that is, in this matter - being the *subject matter* of the services for which registration is sought.

13. This establishes the principle that the question of a mark being devoid of any distinctive character, or descriptive of the goods and services for which registration is sought, is answered by reference firstly, to the goods and services applied for, and secondly, to the perception of the average consumer for those goods or services. In relation to identifying the relevant consumer, it is reasonable to assume that the services claimed in this application will be used by the general public. One no longer needs to have any specialist knowledge in order to purchase and use electronic apparatus for personal use (such as computers and video equipment) or for domestic electrical appliances, or in order to require the services of those who install and maintain such goods. Therefore the services claimed by the applicant can reasonably be described as being directed towards a non-specialist general public, who would demonstrate an average level of attention when considering their purchase.

14. In determining the mark's suitability for acceptance and registration under section 3(1)(c), the Registrar is obliged to consider the semantic content of the sign and consider, in the context of the services claimed, whether or not the relevant consumer is likely to perceive it as being descriptive of a particular characteristic of those services. The mark consists of the words 'BEST BUY'. The Concise Oxford English Dictionary defines the word 'best' as meaning “*of the most excellent or desirable type or quality. • most appropriate, advantageous, or well advised*”, and the word 'buy' as meaning “*obtain in exchange for payment*”. The Oxford Dictionary of English also gives a definition of the combination of the words 'BEST BUY' as meaning “*an item or product which gives the best value for money out of all its*

*competitors*". It is therefore reasonable to assume that the average consumer, when seeing the combination of words 'BEST BUY' used in respect of product information services and online publications, reviews and price comparison articles, would merely see the services as those which provide an informed opinion on the best buy available for a particular product.

15. Taking into account both the dictionary definition of the words and the nature of the services, I have concluded that the mark applied for consists exclusively of a sign which may serve in trade to designate the kind of services i.e. those services which, as stated in paragraph 14 above, offer an informed opinion on the best buy available for a particular product. It is highly unlikely that the average consumer would see those words as indicating the trade origin of the services, and so the mark is excluded from registration under section 3(1)(c) of the Act. Having found that to be the case, it effectively ends the matter. However, in case I am found to be wrong in this decision, I will go on to determine the matter under section 3(1)(b) of the Act. In the case of 3(1)(b), the objection must be considered against all services claimed.

### **The *prima facie* case for registration under Section 3(1)(b) of the Act**

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

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

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

17. The European Court of Justice (ECJ) has repeatedly emphasised the need to interpret the grounds of refusal of registration listed in Article 3(1) and Article 7(1) (the equivalent provision in Council Regulation 40/94 of 20 December 1993 on the Community Trade Mark) 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).

18. The general interest to be taken into account in each case must reflect different considerations according to the ground for refusal in question. In relation to section 3(1)(b) (and the equivalent provision referred to above) the Court has held that "...the public interest... is, manifestly, indissociable from the essential function of a trade mark" (*SAT.1 SatellitenFernsehen GmbH v OHIM* C-329/02P). 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 judgement). Marks which are devoid of distinctive character are incapable of fulfilling that essential function. Section 3(1)(c) on the other hand pursues an aim which reflects



the public interest in ensuring that descriptive signs or indications may be freely used by all (*Wm Wrigley Jr v OHIM, Doublemint*, C-191/OP, paragraph 31).

19. Section 3(1)(b) must include within its scope those marks which, whilst not designating a characteristic of the relevant goods and services (i.e. not being necessarily descriptive), will nonetheless fail to serve the essential function of a trade mark in that they will be incapable of designating origin. In terms of assessing distinctiveness under section 3(1)(b), the ECJ provided guidance in *Koninklijke KPN Nederland NV v Benelux-Merkenbureau (Postkantoor)* C-363/99 where, at paragraph 34, it stated:

"A trade mark's distinctiveness within the meaning of Article 3(1)(b) of the Directive must be assessed, first, by reference to those goods or services and, second, by reference to the perception of the relevant public, which consists of average consumers of the goods or services in question, who are reasonably well informed and reasonably observant and circumspect (see *inter alia* Joined Cases C-53/01 to 55/01 *Linde and Others* [2003] ECR I-3161, paragraph 41, and C-104/01 *Libertel* [2003] ECR I-3793, paragraphs 46 and 75)."

20. This establishes the principle that the question of a mark being devoid of any distinctive character is answered by reference firstly, to the goods and services applied for, and secondly, to the perception of the average consumer for those goods or services. In relation to identifying the relevant consumer, as outlined in paragraph 13, the average consumer of electronic apparatus such as computers and video equipment can reasonably be assumed to be a general public which does not require any specialist knowledge in order to purchase those goods, or to read reviews and price comparisons of those goods. Equally, activities such as providing access to music and video etc. via the Internet, entertainment services, and the use of websites to upload on-line videos and photos, are generally used by all members of the public. Therefore those services claimed by the applicant can reasonably be described as being directed towards a non-specialist general public, who would demonstrate an average level of attention when considering their purchase.

21. One must also be aware that the test is one of immediacy or first impression, as confirmed by the European Court of First Instance (now the General Court) which, in its decision on *Sykes Enterprises v OHIM (Real People Real Solutions)*, 2002, ECT II-5179, stated the following:

"...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."

22. When assessing a mark's distinctiveness it is necessary to consider the perception of that mark by the average consumer, who we have identified at paragraphs 13 and 20 as being the public at large. As stated in paragraph 14 above, the mark consists of the words 'BEST BUY'. The Concise Oxford English Dictionary defines the word 'best' as meaning "*of the most excellent or desirable type or quality. • most appropriate, advantageous, or well advised*" and the word 'buy' as meaning "*obtain in exchange for payment*". The Oxford Dictionary of English also gives a definition of the combination of the words 'BEST BUY' as meaning "*an item or product which gives the best value for money out of all its competitors*". It is therefore reasonable to assume that the average consumer, when seeing the term 'BEST BUY' in its totality, will see it as no more than information indicating that the applicant is offering services which represent better value for money than those provided by other similar service providers. Or, as was stated in *BEST BUY Concepts Inc v OHIM*, T-122/01, that the applicant offers "the most advantageous relation between price and value" (paragraph 15).

23. The fact that the words themselves do not convey any information relating to *which* services are being provided is not enough to find that the mark is distinctive. If the average consumer merely sees the sign as indicating that the services being provided represent value for money, they are unlikely to give the sign any trade mark significance.

24. My analysis in this case has taken account of the mark's semantic content by considering dictionary definitions (and generally accepted) meanings for the words 'best' and 'buy' both separately and combined', and by assessing their collective impact as a phrase. In doing so, I have not identified any of those characteristics or qualities mentioned by the ECJ as being contributory to a finding of *prima facie* distinctiveness. Applying the ECJ's guidance in case law mentioned above, I have no hesitation in upholding the refusal under section 3(1)(b) of the Act.

### **Evidence filed in support of the claim to acquired distinctiveness**

25. The evidence, which covers both this mark and the logo mark covered by application 2546585, consists of two witness statements. One is from Ms Julie Begon, General Counsel for BEST BUY UK Distribution Limited, an affiliate company of the applicant. The other is from Mr Alan Michael Poulter of Field Fisher Waterhouse, the applicant's legal representative for these proceedings. I have summarised below the content of both evidence submissions:

### **Witness Statement and Exhibits from Ms Begon:**

26. This first witness statement, dated 19 July 2010, includes background information relating to the applicant's organisation within the USA. The information is not relevant to the progress of this application as we can only take into account use of the mark within the UK. The witness statement also gives details of the applicant's joint venture with the Carphone Warehouse Group (entered into in order to carry out its business in the UK) and the publicity given to that joint venture. Prior to the applicant's expansion into the UK, there were a number of press articles relating to this joint venture, and details of these press articles are included in the witness statement.

27. Exhibit JB-1 shows the 'BEST BUY' logo displayed upon the applicant's headquarters. The sign was first displayed in June 2009, approximately 11 months prior to the date of application.

28. The following exhibits detail the publicity given to the opening of the applicant's new stores:

JB-2: The first piece of this exhibit is a press release, undated, relating to the opening of a store in Thurrock, Essex. The second is a press release dated 1 December 2009 announcing plans to open the Merry Hill store in the West Midlands.

JB-3: This exhibit consists of a page from the 'BEST BUY' website providing details of their new stores.

JB-4: This exhibit consists of a press release in the Southern Daily Echo (a local newspaper that covers the area of south-central Hampshire) relating to a staff recruitment exercise for one of the new stores held at the Hilton Hotel in Southampton. Photographs of the event are also included.

JB-8: This exhibit consists of photographs showing the opening of the first store at Lakeside, Thurrock.

JB-9: Photographs of the premises at Thurrock and Southampton. These premises display a large 'BEST BUY' logo and signs showing the proposed opening dates of the store.

JB-10: Copies of pages from a promotional leaflet distributed to people in the area surrounding Thurrock. The pages show the 'BEST BUY' logo; details of the opening of the Thurrock store; and a map showing the location of the store. Although 170,000 copies of this booklet were distributed, it is not clear if they were handed out in the street, placed through letter boxes, or if they were distributed via other methods.

JB-11: A copy of leaflets distributed to 25,000 potential customers in the Thurrock area (once again it is not clear how the leaflets were distributed). The leaflet shows the 'BEST BUY' logo on a blue shirt, the blue shirt being the uniform of a 'BEST BUY' employee.

JB-12: The applicant launched an outdoor poster campaign on 12 April 2010 and this exhibit includes copies of the advertisement which appeared on billboards and buses – it is not stated in which locality these exhibits were placed. All the exhibits clearly show the 'BEST BUY' logo.

JB-13: A radio advertising campaign began on 19 April 2010 which ran on London stations Heart and Capital until 2 June 2010. This exhibit includes the scripts for these advertisements. The campaign promoted the BEST BUY Store at Thurrock and highlighted various products on sales and aspects of the services provided.

JB-14: This exhibit shows posters and advertisements which appeared on roadside billboards, rail site posters and posters on the side of buses, as part of the second phase of the outdoor advertising campaign for the Thurrock store, which began on 26 April 2010 and ran until 2 May 2010. The posters and advertisements all bear reproductions of the 'BEST BUY' logo.

JB-15: On the launch of the opening of the Thurrock store full page advertisements were placed on the front and back covers of London's free morning newspaper 'Metro' on 30th April 2010. The advertisements show the 'BEST BUY' logo together with images of various goods for sale in the store, and invite customers to visit the store for 'grand opening details'. This exhibit consists of a copy of that newspaper.

JB-16: Phase 3 of the outdoor promotions began on 10 May 2010 and ran until 23 May 2010. This exhibit includes copies of the roadside billboards, rail side billboard and posters which appeared on the side and rear of the buses, together with copies of further press interest relating to the launch of the Thurrock store in the form of articles from the Daily Mail's website and the Daily Telegraph's website.

JB-17: On 28 May 2010 the applicant ran a poster campaign promoting the launch of the second store in Hedge End, Southampton. This exhibit includes copies of the advertisements featured on the poster together with local press coverage in the Andover Advertiser, Hampshire Business, and Southern Daily Echo publications, and an article in Retail Week. The exhibit also included coverage in the regional website 'This is Hampshire.net'.

JB-18: This gives details of the marketing campaign in relation to the opening of the Thurrock store which the applicant has asked to keep confidential. The confidentiality request has not been agreed to at this stage as we have not received sufficient reasons for the request. However, there is no need to document in any detail the contents of this exhibit as part of the decision.

29. The applicant has been active on social networking sites, and it also has its own website. The following exhibits give details:

JB-5: This exhibit consists of copies of pages from the applicant's websites.

JB-6: The applicant has been active on social networking sites and this exhibit includes pages from Facebook, Twitter, Flickr and YouTube, all of which show the 'BEST BUY' logo.

### **Witness Statement and Exhibits from Mr Poulter**

30. Allan Michael Poulter is the applicant's legal representative within these proceedings and he completed his Witness Statement on 21 July 2010. His witness statement gives details of the joint venture with the Carphone Warehouse, and also the publicity given to the applicant's venture into the UK.

31. Exhibit AMP-1 includes a selection of the numerous press articles that appeared in the media reporting both the joint venture between the applicant and the Carphone Warehouse, and the proposed launch of 'BEST BUY' stores into the UK. They include the following articles:

Retail week:	24 October, 22 August, 18 July, 16 May, 2008
Daily Telegraph:	20 October 2008
Birmingham Post:	15 October 2008
Daily Telegraph:	15 October, 18 June 2008
Daily Mail:	15 October 2008
Express:	15 October 2008
Financial Times:	14 October, 17 September, 5 August 13 May 2008
Investors Chronicle:	14 October, 14 May 2008
Sunday Telegraph:	24 August, 13 July 2008
Marketing:	13 August, 14 May 2008
Independent:	1 August 2008
London Evening Standard	18 July 2008
Wireless News	13 May 2008

The above is not a complete list of all the articles contained in the evidence. However, all articles detail both the joint venture between the applicant and the

Carphone Warehouse, and the applicant's plans to open more 'BEST BUY' stores in the UK.

32. Exhibit AMP-2 includes a report on the most valuable US retail brands of 2009. As this exhibit only relates to use within the US, it is not relevant for determining whether the marks have acquired distinctiveness in the UK.

33. Exhibit AMP-3 gives a selection of media coverage from 1 March 2009 until after the opening of the first store, including an article from The Times dated 24 June 2010, an article from The Sun dated 1 July 2010, and others which can be seen in the evidence attached to the file.

### **The case for registration based on acquired distinctiveness**

34. 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 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). At paragraph 11, I identified the average consumer as being the general public.

35. The key authority for acquired distinctiveness is *Windsurfing Chiemsee Produktions Und Vertriebs GMBH v. Boots-Und Segelzubehor Wlaler 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.”

36. I am also mindful of the ECJ 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”.

37. 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 goods as originating from the applicant.

38. The agent had argued at the hearing that a mark can gain a distinctive character even if that mark had not yet been in use, where there has been sufficient advertising and promotion of the mark. I do not disagree with that argument. However, for that to be the case there would need to be extensive and prolonged advertising throughout the whole of the UK. In this respect, I refer to comments presented in paragraph 51 of *Windsurfing* and would conclude that none of the following criteria have been sufficiently met:

*“In assessing the distinctive character of a mark in respect of which registration has been applied for, the following may also be taken into account: the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations”.*

39. Regarding the articles in the National Press referring to Best Buy’s venture into the UK, Exhibit JB7 includes a number of them ranging from October 2009 to January 2010, all of which give details of the applicant’s plans to open stores in the UK. Although these press articles may have been read by some of the general public, they are more likely to be directed to other retailers of similar goods within the UK. For example, the Guardian online press article of 28 October 2009 refers to the possibility of Best Buy opening 70 megastores over a five year period, whilst the FT.Com press release of 12 November 2009 states that *“Best Buy vows to be force in Europe... (its presence adding) pressure on Germany’s Metro and the UK’s DSG*

*International and Kesa, which operate consumer electronics chains including Media Markt, Currys and Darty*". An article in the Financial Times in January 2010 refers to increased sales in the applicant's US stores. Exhibit JB-7 also refers to articles published in the Guardian, the Daily Express and The Sun on 20 January 2010 which refer to profit forecasts by Carphone Warehouse.

40. Exhibit AMP-1 also details articles in the press relating to Best Buy's venture into the UK. They include *inter alia* articles in Retail Week; articles in the Daily Telegraph of 15 and 20 October 2008; the Birmingham Post dated 15 October 2008; articles in the Daily Mail and Daily Express of October 15 2008; the Financial Times of 5 August 2008, 17 September 2008 and 14 October 2008; and the Sunday Telegraph of 1 and 24 August 2008, with all referring to the joint venture between Carphone Warehouse and Best Buy. Exhibit JB-7 also refers to articles in the Detroit Free Press, the New York Times, and the Wall Street Journal, none of which are likely to have had any impact on the UK general public.

41. None of the aforementioned press articles take the form of a sustained, widespread advertising campaign aimed at the average consumer i.e. the general public. These articles indicate that other retailers of similar goods may well have been aware of BEST BUY's plans to venture into the UK market and, as a consequence, they may have been concerned about the competition. However, I consider the level of national exposure indicated was directed to too few to have provided a re-education of the average consumer as to the provenance of the mark in suit, such that a significant proportion of them would now individualise the mark to the applicant.

42. Further advertising took place in the Metro newspaper circulated on the London transport network and also on radio stations Heart and Capital in the London area, but only over a period of one month prior to the date of application.

43. The first store opened in Thurrock in April 2010, approximately one month *prior* to the date of application, and the second store opened in Southampton *after* the date of application. The exhibits show there was a good deal of publicity related to both store opening and staff recruitment within the surrounding areas for both stores, but little evidence to show similar levels of promotional activity on a broader geographical scale. Therefore, any distinctiveness acquired prior to the date of application would have been limited to those areas. It is therefore clear that the evidence has failed to demonstrate the acquisition of distinctive character at a national scale.

44. I also note that the majority of the exhibits show the use of the mark with the yellow 'swing tag' logo. Although press articles refer to words 'Best Buy', the advertising leaflets, billboards, shop signs, booklets and other advertising matter,



such as the Metro advertisement all reproduce the figurative mark rather than the word-only mark applied for.

45. When considering whether or not the evidence is sufficient to indicate that the mark has acquired distinctiveness, I must take into account all the information detailed above. I have taken into account the fact that the mark had only been used on one store, and for only one month, prior to the date of application, and also that the majority of such use was in the form of a figurative yellow 'swing tag' logo. Prior to the date of application, there had been no national advertising campaigns. Where national press coverage did take place prior to the date of application, this was only in the form of press articles referring to the venture between the Carphone Warehouse and the applicant (detailed in paragraphs 39 and 40 above) and, as previously explained, these press articles were more likely to be of interest to competitors rather than average consumers. Additionally, radio advertising campaigns which started 15 days before the date of application only took place in the London area (see paragraph 28).

46. In my view, the sign applied for will not be taken as a trade mark without first educating the relevant consumer that it is a trade mark. Taking into account the market for the goods being sold by the applicant, I consider the relevant consumer to be the general public (see paragraph 13), and the goods sold are those which would be purchased throughout the UK. As pointed out above, I do not consider the applicant to have shown use throughout the UK. Taking into account both the advice given in relevant case law such as *Windsurfing* and *Europolis*, and all the documents and exhibits filed, I consider the evidence has failed to show that, at the date of application, the average consumer had been educated into seeing the sign as indicating the trade origin of the services. The mark is therefore excluded from acceptance under the proviso to section 3(1) of the Act.

## **Conclusion**

47. In this decision, I have considered all documents filed by the applicant/agent and all arguments submitted to me. Having done so, and for the reasons given above, the application is refused because it fails to qualify under sections 3(1)(b) & (c) of the Act, the evidence submitted not supporting the claim to distinctiveness acquired through use.

Dated this 9<sup>th</sup> day of February 2012

**Linda Smith**  
**For the Registrar**  
**The Comptroller-General**