O/190/12

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NUMBER 2524548
BY GB GAS HOLDINGS LTD TO REGISTER THE FOLLOWING MARK IN CLASSES 4, 9, 16, 35, 37, 39, 41, 42 AND 45:**

ENERGY SMART

TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NUMBER 2546585
BY GB GAS HOLDINGS LTD
TO REGISTER THE FOLLOWING TRADE MARK
IN CLASSES 4, 9, 16, 35, 37, 39, 39, 41, 42, and 45:

ENERGY SMART

Background

1. On 25 August 2009, GB Gas Holdings Ltd of Millstream, Maidenhead Road, Windsor, Berkshire SL4 5GD ('the applicant') applied to register trade mark application number 2524548, consisting of the word mark 'ENERGY SMART' for the following goods and services (after amendment in classes 35, 39 and 42):

Class 4: Electricity; gas, gaseous fuels and oil.

Class 9: Gas meters, electricity meters, water meters, measuring equipment, fuel dispensing, metering and storage equipment and systems; security video cameras and television monitors; intruder detection systems and apparatus; surveillance apparatus; smoke detectors, gas detectors, carbon monoxide detectors; fire alarms; burglar alarms; credit cards; debit cards; pre-payment cards.

Class 16: Printed matter, newspapers, periodicals, handbooks, brochures, leaflets and pamphlets.

Class 35: Business and advisory services relating to the purchase and/or sale of gas, gaseous fuels and electricity; measuring of gas and electricity consumption (metering service); business and advisory services relating to provision of energy usage; billing services being the provision of energy usage and billing information including the provision of such information online or electronically.

Class 37: Installation, repair and maintenance of gas, oil or electrical appliances or instruments using gas, oil or electricity; installation, repair and maintenance of gas, oil, electricity or water meters, air conditioning and ventilation appliances; installation of insulating materials; laying, repair, maintenance and inspection of pipelines; plumbing services, construction, repair and maintenance of gas installations; kitchen installation services.

Class 39: Storage, distribution, transportation and delivery of gas, oil and electricity.

Class 41: Training services relating to the selection, installation, operation, repair and maintenance of electrical, oil or gas fired apparatus and instruments; education services relating to the gas, oil and electricity industry.

Class 42: Auditing, assessing and advising on energy consumption and safety and efficiency of gas, oil or electrical appliances; advisory, information and consultancy services relating to energy management and efficiency; metered measuring service of gas, oil and electricity; auditing energy consumption of buildings; energy conservation management; exploration of gas and oil; kitchen design services.

Class 45: Certifying as to the energy efficiency of buildings; inspection of pipelines.

2. On 14 September 2009, the UK Intellectual Property Office ('IPO') issued an examination report. In that report an objection against all goods and services was raised under section 3(1)(b) of the Trade Marks Act 1994 ('the Act') on the basis that the mark was devoid of any distinctive character because the term 'ENERGY SMART' would merely be perceived as a non-distinctive sign promoting energy awareness and which could apply to any undertaking. Other issues to do with the specification and earlier rights were also raised in the examination report but they are of no concern in this decision. A period of two months for reply to the report was given.

3. After an extension of time, on 7 January 2010 attorneys for the applicant responded to the exam report saying, in sum, that the applicant will use the mark to identify its new service, being a revolutionary new way for its customers to manage and control the cost of utilities used in their homes. But, the attorney submitted, while the utilities (specifically, the provision of gas and/or electricity) can be considered as 'energy', clearly the new service itself cannot. It was also submitted that a service which, for example, includes the provision of electricity monitors, cannot be properly qualified by the term 'smart' meaning, for example, clever, witty, astute and shrewd. To call a service or a machine 'smart' is therefore to commit a category mistake; ascribing a property to a subject that it is not capable of possessing. In the attorney's submission, it is unusual then that the name of the service 'ENERGY SMART' contains the words 'energy' and 'smart' at all, even before the effect of their juxtaposition.

4. The attorney further submitted that the juxtaposition of the words 'energy smart' created a syntactically unusual phrase in that the noun follows the adjective, which is non-standard in English. Thus, the meaning of the phrase eludes obvious meaning; what exactly is 'energy smart'? The attorney applied case law in *Linde AG, Windward Industries Inc and Radio Uhren AG* (C-53/01 to C-55/01) and said that the mark 'ENERGY SMART' is capable of enabling the relevant consumer of the goods/services in question to identify the origin of those goods/services and thus distinguish them from those of other undertakings.

5. Finally, the attorney said it was not even possible to construct a sentence around the words 'energy smart', unlike the words, for example, 'baby dry' (derived from the well known case of *Procter & Gamble v OHIM ('Baby-Dry')* [2002] RPC 17, which slot into the sentence "nappies will keep your baby dry") and this, in effect, further amplifies the linguistic 'unusualness' in the words.

6. In a letter of 22 February 2010, the examiner responded saying that she was not persuaded that the mark was *prima facie* acceptable and that the objection was maintained. She acknowledged that the test of distinctiveness was one of the likely perception of the average consumer in relation to the relevant goods/services. Further, she relied on the case

of *Sykes Enterprises v OHIM ('Real People, Real Solutions')* 2002 ECR II-5179 which speaks of that perception having to be 'immediate'. She then identified the average consumer in this case to be the general public.

7. In that letter, the examiner also referred to the (then) latest case law on slogan marks including Case C-64/02P '*Das Prinzip Der Bequemlichkeit'* and BL O/010/06 '*You won't believe your eyes'*. Seeking to apply this case law, the examiner concluded that 'Energy Smart' simply sends a non-distinctive message promoting energy awareness, inviting the consumer to become shrewd in respect of energy matters through utilising the goods and services of the undertaking. As a readily understandable combination of words, no distinctive character would be conveyed in the context of advertising especially.

8. The examiner drew support for her conclusion from the case of *Best Buy Concepts v OHIM (Case T 122/01) ('Best Buy')* which states at paragraph 30:

> "30. For a finding that there is no distinctive character, it is sufficient to note that the semantic content of the word mark ... indicates to the consumer a characteristic of the service relating to its market value which, whilst not specific, comes from information designed to promote or advertise which the relevant public will perceive first and foremost as such rather than as an indication of commercial origin of the services."

9. Whilst the examiner conceded (following the CJEU Case C-398/08P Audi AG v OHIM ('*Vorsprung Durch Technik'*) that a promotional statement or message was not necessarily devoid of distinctive character by virtue of it being a promotional message, and also that simple or objective messages were likewise not devoid of distinctive character by virtue of being simple and objective, she nonetheless did not accept that the mark applied for possessed distinctive character. On a plain semantic analysis it remained her view that the mark could not lay claim to any linguistic imperfection, peculiarity, inventiveness or other creativity such as might help endow it with the necessary capability to function as a trade mark indicating single origin.

10. The matters having reached an impasse, an *ex parte* hearing was requested and took place before me on 18 April 2011 via videoconference link. The applicant was represented by Mr Simon Malynicz of Counsel, instructed by attorneys for the applicant, Kempner Robinson. No decision was given at the hearing, but a note of my decision was issued on 17 June 2011. My decision maintained the objection under section 3(1)(b) in relation to the bulk of goods and services, but I nevertheless waived the objection for certain goods and services.

11. On 19 July 2011 the applicant filed a Form TM5 asking for a full statement of grounds in order for it to consider an appeal. There was no evidence of acquired distinctiveness submitted, and so the decision is limited to the *prima facie* case.

Decision

12. The relevant parts of Section 3 of the Act read 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."

13. 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). At this point I should mention that whilst I acknowledge that the objection in this case is only in relation to section 3(1)(b), I have nevertheless recited section 3(1)(c) also on the basis that it is often helpful to understand how the two grounds relate to each other and overlap. This is one of the themes I shall pick up in my preface of relevant authorities below.

Relevant authorities – general principles and preface

14. The Court of Justice of the European Union (CJEU, formerly 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 (Case C-37/03P, *Bio ID v OHIM*, paragraph 59 and the case law cited there and, more recently, Case C-273/05P *Celltech R&D Ltd v OHIM*).

15. 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 provisions referred to above) the Court has held that "...the public interest... is, manifestly, indissociable from the essential function of a trade mark" (Case C-329/02P, SAT.1 *Satelliten Fernsehen GmbH v OHIM*). 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 or her, 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). 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-191/0P paragraph 31.

16. In terms of the relationship between sections 3(1)(b) and (c), a mark which is subject to objection under section 3(1)(c) as designating a characteristic of the relevant goods or

services will, of necessity, also be devoid of distinctive character under section 3(1)(b) – see to that effect paragraph 86 of Case *C-363/99 Koninklijke KPN Nederland NV v Benelux – Merkenbureau* (‘*Postkantoor*’). But plainly, and given the public interest behind the two provisions, they must be assessed independently of each other as their scope is different, that is to say that section 3(1)(b) will include within its scope marks which, whilst not designating a characteristic of the relevant goods and services, will nonetheless fail to serve the essential function of a trade mark in that they will be incapable of designating origin.

17. Unsurprisingly, in the UK also, the relationship between section 3(1)(b) and (c) has also been commented upon. For example, in the case of BL O/313/11 (‘*Flying Scotsman*’), at paragraph 19 the Appointed Person notes that:

> “Since there is no obligation to rule on the possible dividing line between the concept of lack of distinctiveness and that of minimum distinctiveness when assessing the registrability of a sign under Section 3(1)(b), see Case C-104/00 P *Deutsche Krankenversicherung AG v. OHIM* (‘*Companyline’)*[2002] ECR I-7561 at paragraph [20], it is not necessary to dwell on the question of how far section 3(1)(b) may go in preventing registration beyond the scope of section 3(1)(c). It is sufficient to observe that a sign may be:
>
> (1) distinctive for the purposes of section 3(1)(b), with the result that it cannot be regarded as descriptive for the purposes of section 3(1)(c) and must be unobjectionable on both bases; or
>
> (2) neither distinctive for the purposes of Section 3(1)(b), nor descriptive for the purposes of Section 3(1)(c), with the result that it must be objectionable on the former but not the latter basis; or
>
> (3) descriptive for the purposes of Section 3(1)(c), with the result that it cannot be regarded as distinctive for the purposes of Section 3(1)(b) and must be objectionable on both bases.
>
> These considerations point to the overall importance of establishing that a sign is free of objection under Section 3(1)(b).”

In this particular case, it is the circumstances in (2) above that apply.

18. The question then arises as to how distinctiveness is assessed under section 3(1)(b). Para 34 of the *Postkantoor* case reads as follows:

> “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 C-55/01 *Linde and Others* [2003] ECR I-3161, paragraph 41, and Case C-104/01 *Libertel* [2003] ECR I-3793, paragraphs 46 and 75).”

19. So the question of a mark being devoid of distinctive character is answered by reference to the goods and services applied for and the perception of the average consumer for those goods.

20. In applying that assessment to this case it is important I am convinced, firstly, that the objection applies to all the services applied for. If there are services specified which are free of objection under section 3(1)(b) then they must be allowed to proceed. In the case of European Case of Justice Case *C-239/05 BVBA Management, Training en Consultancy v Benelux-Merkenbureau* the question being referred to the court was whether the Directive, on which the Act is based of course, must be interpreted as meaning that the competent authority is required to state its conclusion separately for each of the individual goods and services specified in the application. The court answered (paragraph 38), saying that the competent authority was required to assess the application by reference to individual goods and services. However, where the same ground of refusal is given for a category or group of goods or services, the competent authority may use only general reasoning for all the goods and services concerned. This guidance by the European authorities has, of course, been applied and interpreted in relation to the approach to be taken by the relevant UK authorities, for which see the latest iteration in TPN 1/2012 and PAN 2/2011, both entitled 'Partial Refusals'.

21. The second point in relation to application of these principles to this case is the question as to who the average consumer may be. The examiner was of the view that the average consumer in this case was the general public. Although that is the case for many of the goods and services, I am not entirely convinced that the average consumer would be the general public for all the goods and services. In relation to services for example in class 35, 41, 42 and 45 it is entirely possible that such services would be provided to businesses as well as the general public. Having recognised this however, in my view nothing turns on this particular concession.

22. Thirdly, by way of preface in this case and given the correspondence and submissions at hearing, I think it is important to avoid any possible pre-emptive categorisation of the mark. The Appointed Person in the case of BL O/325/07 '*Deliberately Innovative'* also purposely avoided any categorisation of the particular mark, in that case as a 'slogan'. I think that was the correct approach and I have no intention of categorising this particular mark, in particular as a slogan. Instead, I intend to proceed on the basis of its notional use in, for example, a stand-alone context in relation to the goods and services. I should stress however that the words 'in relation to' in this context admit consideration (as part of normal and notional use) of use of the mark in, for example, advertising (see, for example, BL O/573/01 '*Where all your favourites come together*'). I also intend, as Mr Malynicz urged me, to focus entirely on the bare semantic details and meaning of the mark and any resulting perceptions they may evoke amongst consumers.

The applicant's case for acceptance of the mark

23. This was developed from the correspondence to which I have referred earlier in the decision. Although, as he must, Mr Malynicz accepts that the words 'energy' and 'smart' can, individually, be used descriptively in relation to these goods and services, he says the examiner failed to take into account the fact that the mark is syntactically unusual in the

sense that the adjective is placed after the noun. Ordinarily the adjective would be before the noun, as in SMART ENERGY. In this respect, Mr Malynicz says the well known *Baby-Dry* case is still good law, even though it was decided under the equivalent of section 3(1)(c) rather than (b). Mr Malynicz says the inversion of the words, the clever compression and ellipsis (words missing), all of which were not properly analysed and appreciated by the examiner, result in this mark possessing distinctive character such that it is free from objection.

24. Mr Malynicz's second angle of attack is to question whether if indeed the mark does not have the required distinctiveness to be registrable, that absence of distinctiveness applies across the board in relation to all goods and services of the specification. For example, water meters and many other items in class 9 bear no relation to 'energy' as such. In class 16 Mr Malynicz says one cannot just assume the claimed publicity or printed materials are relating to 'energy'; it must be assumed to be across the board, so to speak. In class 35, he concedes the examiner's objection hits most relevantly. In class 37 he notes the presence of water meters and kitchen installation services which have little to do with energy. Likewise in class 45 there are services related to water rather than 'energy' *per se*.

The mark applied for

25. The mark consists of known dictionary words 'energy' and 'smart'.

26. Collins and Macmillan dictionaries define the word 'energy' as follows:

> **energy** a source of power, such as electricity.
>
> **energy** a form of power such as electricity, heat, or light that is used for making things work.

27. Similarly, both dictionaries define the second word 'smart' as follows:

> **smart** intelligent; done with intelligence or careful thought.

28. Given that the applicant's services are centred on the provision of utilities and related services, it is reasonable to assume that the word 'energy' is intended to denote any type of power source including gas, electricity, oil and even water.

29. I must also consider the word 'smart' of course. Although the word can be used to denote tangible objects - most commonly in respect of technology where, for example, software systems, phones and other technologies can be labelled 'smart' on account of their capacity for artificial intelligence, multiple features or some other merit-based advantage, the word is also often used to describe an individual or a group. Therefore, one might be deemed 'smart' on account of one's natural intelligence, one's ability to achieve an objective or challenge, one's ability to function or act in an appropriate manner, or any other behaviour considered by others to be intelligent or clever. The same would apply to groups of individuals, meaning that a company might be described as 'smart' because of its ability to identify and meet a market demand, and/or because it displays a commitment and focus to particular social, corporate or ethical values.

30. Having identified the semantic properties of each word in isolation, I am naturally obliged to consider the mark in its totality and in particular the inversion, ellipsis and compression relied upon by Mr Malynicz. In particular, he cited the ‘uncommon practice’ (in English, at least) of placing the adjective *after* the noun. This construction, it was submitted, renders the mark linguistically or grammatically unusual, which in turn enables it to be perceived as an indicator of trade origin. Mr Malynicz does not persuade me on the matter of syntactical construction. It is not uncommon, in English, to find that words are placed *after* nouns in order to perform an adjectival function. This is notable in the context of the phrase 'street smart', which is normally used to describe someone with a particular facility for surviving or achieving in an urban environment (the word 'savvy' is used in an identical way). In fact, the word ‘smart’ after many nouns describing ‘commodities’, such as e.g. ‘health smart’, ‘money smart’ and ‘food smart’ has become quite commonplace in English. Another relevant example of placing an adjective after a noun in a perfectly comprehensible way to the average English speaking consumer would be to describe a product or service as being ‘energy efficient’. I therefore do not accept then that there is a syntactically or lexically unusual juxtaposition in this case.

31. Neither does Mr Malynicz persuade me on the question of ellipsis and compression. Words, making complete sentences, are often missing in the context in particular of advertising (see also BL O/ BL O/573/01 ‘*Where all your favourites come together’)* where messages have to be punchy and immediate. Whilst the mark is not, for example, “We are an energy smart company”, or “This device is energy smart”, the absence of the extra words does not thereby create the requisite distinctiveness.

32. On that basis I need to consider how the above lexical and semantic analysis might impact on the relevant consumer’s perception. I think the relevant consumer would perceive the phrase 'energy smart' as meaning ‘energy efficient’ or otherwise making intelligent or careful use of energy. Energy companies and utility providers are under fairly constant pressure to develop new ways of providing and distributing sources of energy, primarily because of environmental and ecological concerns relating to sustainability. For similar reasons, consumers are themselves having to adopt more responsible attitudes towards their own energy consumption. In my opinion, this context would likely contribute towards the consumer's perception and understanding of a phrase such as 'energy smart'. Most householders recognise the need to be smart about how they purchase and use sources of natural energy - be that in terms of metering usage, reducing carbon emissions, turning off appliances etc. - and so would recognise the phrase 'energy smart' as conveying a message of being 'energy efficient’ or otherwise making intelligent or careful use of energy.

33. Finding that the sign applied for conveys a particular message does not, of itself, constitute a basis for objecting under section 3(1)(b). I must also be satisfied that such a message confers no distinctive character when used in relation to the goods or services claimed. In the *Best Buy* case referred to above at paragraph 8, the message conveyed to the average consumer is said to indicate to that consumer a characteristic of the service relating to its *market value* which, *whilst not specific, comes from information designed to promote or advertise* which the relevant public will perceive first and foremost as such rather than as an indication of commercial origin of the services (my emphasis). In my view that is the effect of the phrase ‘energy smart’, in that it does not necessarily convey a *specific*

enough meaning to designate a particular characteristic (such that a section 3(1)(c) objection would apply), but that such a message as it does convey, which I have identified above, goes directly to the market value (by reference to technical utility) of the relevant goods and services in such a way as to render the mark devoid of distinctive character under section 3(1)(b). In particular, and in accordance with the case law referred to above, the mark would be unable to perform the essential function of a trade mark as indicating the goods and services of a single undertaking.

34. I am obliged however, as I have said in my opening preface, to consider whether the objection applies across the range of goods and services applied for. In doing this I am entitled to use general reasoning as it applies to categories of goods and services. In terms of the goods and services in respect of which I waive the objection, these are goods and services in respect of which the message of 'energy efficiency' or of otherwise making intelligent or careful use of energy has no clear or obvious application. The remaining goods and services however, in respect of which I maintain the objection, constitute goods and services in respect of which the message conveyed by the mark would have a clear application and would accordingly be non-distinctive.

Conclusion

35. In this decision, I have considered all documents filed by the applicant/agent and all arguments submitted to me in relation to this application. Having done so, and for the reasons given above, the application is refused in respect of the following goods and services because it fails to qualify under sections 3(1)(b) of the Act.

Class 4: Electricity; gas, gaseous fuels and oil.

Class 9: Gas meters, electricity meters, water meters, measuring equipment, fuel dispensing, metering and storage equipment and systems; security video cameras and television monitors; intruder detection systems and apparatus; surveillance apparatus; smoke detectors, gas detectors, carbon monoxide detectors; fire alarms; burglar alarms.

Class 16: Printed matter, periodicals, handbooks, brochures, leaflets and pamphlets.

Class 35: Business and advisory services relating to the purchase and/or sale of gas, service); business and advisory services relating to provision of energy usage; billing gaseous fuels and electricity; measuring of gas and electricity consumption (metering services being the provision of energy usage and billing information including the provision of such information online or electronically.

Class 37: Installation, repair and maintenance of gas, oil or electrical appliances or instruments using gas, oil or electricity; installation, repair and maintenance of gas, oil, electricity or water meters, air conditioning and ventilation appliances; installation of insulating materials; laying, repair, maintenance and inspection of pipelines; plumbing services, construction, repair and maintenance of gas installations.

Class 39: Storage, distribution, transportation and delivery of gas, oil and electricity.

Class 41: Training services relating to the selection, installation, operation, repair and maintenance of electrical, oil or gas fired apparatus and instruments; education services relating to the gas, oil and electricity industry.

Class 42: Auditing, assessing and advising on energy consumption and safety and efficiency of gas, oil or electrical appliances; advisory, information and consultancy services relating to energy management and efficiency; metered measuring service of gas, oil and electricity; auditing energy consumption of buildings; energy conservation management; exploration of gas and oil.

Class 45: Certifying as to the energy efficiency of buildings; inspection of pipelines.

36. However, the application is allowed to proceed in respect of the following goods and services:

Class 9**:** Credit cards; debit cards; pre-payment cards.

Class 16: Newspapers.

Class 37: Kitchen installation services.

Class 42: Kitchen design services.

Dated this 10th day of May 2012

Nathan Abraham
For the Registrar
The Comptroller-General