

TRADE MARKS ACT 1994

TRADE MARK APPLICATION NO. 3041119 TO REGISTER THE SIGN 'BETTER
MARKETS MAKE A BETTER WORLD' IN CLASS 36

IN THE NAME OF KCG IP HOLDINGS LLC

DECISION

Introduction

1. This is an appeal against the decision of Ms Bridget Rees, acting for the Registrar, dated 18 January 2016 (O-042-16) in which she refused registration for the sign BETTER MARKETS MAKE A BETTER WORLD under section 3(1)(b) of the Trade Marks Act 1994 ("*the 1994 Act*").
2. At the hearing of the appeal KCG IP Holdings LLC ("*the Applicant*") was represented by Mr. Philip Roberts instructed by Brabners LLP. Mr. Nathan Abraham appeared on behalf of the Registrar.

The Application

3. On 3 July 2013, the Applicant filed an application for the mark BETTER MARKETS MAKE A BETTER WORLD for the following services:

Class 36: Financial services, namely institutional sales and trading, execution services, principal trading, liquidity providing, market making, and operating a market for matching buy and sell orders.

4. On 7 March 2014, the Examiner, on behalf of the Registrar, issued an examination report in response to the application. In that report, an objection was raised under section 3(1)(b) of the 1994 Act. The Examiner indicated that the sign was devoid of any distinctive character on the basis that it would be seen as a promotional statement.
5. On 6 May 2014, written arguments in support of the mark's alleged inherent distinctiveness were submitted on behalf of the Applicant. However the objection was maintained by the Examiner.
6. On 17 July 2014, an *ex parte* hearing was requested on behalf of the Applicant. On 22 October 2014 that hearing took place before the Hearing Officer. At that hearing the Applicant was represented by Mr. Colin Bell of Brabners LLP.

7. The objection was maintained at the hearing under section 3(1)(b) and a period of two months was granted in order to allow time for the Applicant to consider whether it wished to file evidence in support of a claim for distinctiveness acquired through use. On 9 December 2014, a request for an extension of time was requested on the basis that the Applicant was compiling evidence of acquired distinctiveness. An extension of time was duly granted until 24 February 2015.
8. On 4 March 2015, in view of the fact that evidence had not been filed and that no further submissions had been received, the Application was refused. On 7 April 2015 a form TM5 requesting a full statement of reasons for the Registrar's Decision was filed. Pursuant to that request a Decision was issued on 18 January 2016.

The Hearing Officer's Decision

9. The application of the legal principles to the application in suit began at paragraph 18 of the Decision. In paragraph 18 of the Decision the Hearing Officer made findings as to the identity of the relevant average consumer as follows:

In relation to identifying the relevant consumer, the services applied for are 'Financial services, namely institutional sales and trading, execution services, principal trading, liquidity providing, market making, and operating a market for matching buy and sell orders.' With regard to these services, they would incorporate activities relating to the buying and selling of securities or other financial instruments; the completing of buy or sell orders for securities, and also services of a financial broker relating to the purchase and sale of securities. As such, it is reasonable to assume that these services will be used by professionals in the financial sector. I also consider that the services could be directed to the general public who may wish to utilise services of a financial broker for e.g. personal investment. In the selection of such services, I agree with Mr Bell that the level of attention paid will be high.

10. The Hearing Officer then went on to find that the expression BETTER MARKETS MAKE A BETTER WORLD was excluded from registration on the basis stated in paragraphs 19 to 23 of her Decision:

19. 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* (2002 ECT II-5179 *Real People Real Solutions*), 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."

20. It has been asserted in the original examination report that the sign is a 'promotional statement'. I prefer not to state, conclude or infer the sign is inevitably a 'slogan' *per se*; this is especially difficult in an *ex parte* analysis based only on inherent characteristics and thus devoid of context. Regardless then, as to whether a sign may be categorised as a 'slogan', still-relevant case law such as e.g. CJEU Case C-398/08P *Audi AG v OHIM (Vorsprung Durch Technik)* at paragraph 47 says that semantic characteristics such as "having a number of meanings", "being a play on words", or being perceived of as "imaginative, surprising and unexpected", such that the sign in which they reside can be easily remembered, are, as a rule, likely to endow it with distinctive character. Admittedly, as Mr Bell submitted (see second bullet point of paragraph 9 above), the CJEU nonetheless notes that such characteristics are not essential pre-requisites for a finding of distinctive character.

21. However, in this case, it is most unlikely those qualities will be apparent to the average consumer. Rather, when considered in relation to the services claimed in the application, I believe that the average consumer will perceive the sign as nothing more than a readily comprehensible, non-distinctive sign. In respect of 'financial services', I consider that the term 'better markets' would be perceived as meaning improved financial markets. The term 'better world' would be understood as meaning an improved world, but the word 'world' is a versatile term. It can be used in various nuances of meaning, and it is a term often used in advertising. However, in relation to the services applied for, I consider that it would be understood as meaning the 'financial world'. When combining the terms 'better markets' and 'better world' within the mark 'BETTER MARKETS MAKE A BETTER WORLD', there is nothing in the sign which could lead to the conclusion that the sign is distinctive. When considered as a whole, I believe that it would be understood as a non-distinctive sign informing consumers that the undertaking (i.e. the applicant, or the 'user' of the sign) aims to provide better financial markets, which ultimately offers consumers greater opportunities and prospects.

22. I have also considered the basic alliteration and rhythmic structure within the mark, but find it to be simplistic and glib, and so it does not imbue the sign with any distinctive character.

23. As also required, I have considered whether the objection properly applies to all the services claimed. In my view, the sign is especially apt in relation to the services which are all connected with financial markets. When considered in relation to such services, the phrase is readily and meaningfully understood.

11. In paragraphs 24 to 25 the Hearing Officer considered whether the position should be different in the light of: (1) other acceptances by the UK IPO and/or EUIPO which were said to be 'on a par' with the application in suit; and (2) the acceptance for registration by the United States Patent and Trade Mark Office ("*USPTO*") of the same mark. She found that it should not be.
12. The Hearing Officer then concluded in paragraph 26 as follows:

Having considered all factors, I maintain that the phrase would be perceived as nothing more than a non-distinctive purely promotional sign, which merely highlights positive qualities about the applicant's services. I therefore have no hesitation in refusing the application.

The Grounds of Appeal

13. By a TM55 dated 23 February 2016, the Applicant appealed to the Appointed Person under section 76 of the 1994 Act. The lengthy Grounds of Appeal contain 85 paragraphs together with annexures. Paragraph 7 of the Executive Summary in the Grounds of Appeal, identify the basis upon which the Hearing Officer is said to have erred in making her finding that the sign BETTER MARKETS MAKE A BETTER WORLD is devoid of distinctive character by:
 - (1) *'adopting a convoluted interpretation of BETTER MARKETS MAKE A BETTER WORLD'*;
 - (2) *'failing to take account of the distinguishing features of the mark'*;
 - (3) *'failing to appreciate that a mark can be perceived by the relevant public both as a promotional formula and/or laudatory message and also as an indication of the commercial origin of the services'*; and
 - (4) *'failing to fully appreciate and/or take account of the specialised nature of the services and relevant public'*.

A number of other points were also raised, in particular the failure of the Hearing Officer to take into account the 'state of the register' evidence referred to in paragraph 11 above.

14. These points were developed by Mr. Roberts on behalf of the Applicant in his skeleton argument and oral submissions at the hearing before me.
15. Mr. Abraham on behalf of the Registrar having set out the standard for review in appeals such as the present maintained in his skeleton argument and oral submissions that Hearing Officer was entitled to come to the view that she had on the basis of the materials that were before her.

Standard of review

16. The appeal is by way of review. Neither surprise at a Hearing Officer's conclusion, nor a belief that he has reached the wrong decision suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was clearly wrong. See Reef Trade Mark [2003] RPC 5, and BUD Trade Mark [2003] RPC 25.
17. In Fine & Country Ltd v Okotoks Ltd (formerly Spicerhaart Ltd) [2013] EWCA Civ 672; [2014] FSR 11 Lewison LJ said:

50. The Court of Appeal is not here to retry the case. Our function is to review the judgment and order of the trial judge to see if it is wrong. If the judge has applied the wrong legal test, then it is our duty to say so. But in many cases the appellant's complaint is not that the judge has misdirected himself in law, but that he has incorrectly applied the right test. In the case of many of the grounds of appeal this is the position here. Many of the points which the judge was called upon to decide were essentially value judgments, or what in the current jargon are called multi-factorial assessments. An appeal court must be especially cautious about interfering with a trial judge's decisions of this kind. There are many examples of statements to this effect. I take as representative Lord Hoffmann's statement in *Designers Guild Ltd v Russell Williams (Textiles) Ltd* [2000] 1 WLR 2416 , 2423:

‘Secondly, because the decision involves the application of a not altogether precise legal standard to a combination of features of varying importance, I think that this falls within the class of case in which an appellate court should not reverse a judge's decision unless he has erred in principle.’

18. The position has been more recently set out in the decision of Geoffrey Hobbs Q.C. in ALTI Trade Mark (O-169-16) at paragraphs [19] to [20] where he referred to the general applicability of the observations of Lord Neuberger PSC in Re B (a child) (Care Order Proceedings) [2013] UKSC 33 at paragraphs [93] and [94]:

[93] There is a danger in over-analysis, but I would add this. An appellate judge may conclude that the trial judge's conclusion on proportionality was (i) the only possible view, (ii) a view which she considers was right, (iii) a view on which she has doubts, but on balance considers was right, (iv) a view which she cannot say was right or wrong, (v) a view on which she has doubts, but on balance considers was wrong, (vi) a view which she considers was wrong, or (vii) a view which is unsupported. The appeal must be dismissed if the appellate judge's view is in category (i) to (iv) and allowed if it is in category (vi) or (vii).

[94] As to category (iv), there will be a number of cases where an appellate court may think that there is no right answer, in the sense that reasonable judges could differ in their conclusions. As with many evaluative assessments, cases raising an issue on proportionality will include those where the answer is in a grey area, as well as those where the answer is in a black or a white area. An appellate court is much less likely to conclude that category (iv) applies in cases where the trial judge's decision was not based on his assessment of the witnesses' reliability or likely future conduct. So far as category (v) is concerned, the appellate judge should think very carefully about the benefit the trial judge had in seeing the witnesses and hearing the evidence, which are factors whose significance depends on the particular case. However, if, after such anxious consideration, an appellate judge adheres to her view that the trial judge's decision was wrong, then I think that she should allow the appeal.

19. It is necessary to bear these principles in mind on this appeal.

Decision

20. On this appeal it is not suggested that the Hearing Officer did not identify the correct case law applicable to the legal approach to the assessment that she was required to make under section 3(1)(b) of the 1994 Act. What is said is that having identified the relevant case law the Hearing Officer omitted from her summary of legal principals the proposition derived from Case C-398/08P Audi AG v. OHIM (ECLI:EU:C:2010:29) ("Audi") at paragraph [45] that a sign can be perceived by the public both as a slogan and as a trade mark. As a result it is submitted that the Hearing Officer set off on an incorrect course when applying the law to the facts of the present application.

21. The legal approach of the question under section 3(1)(b) of the 1994 Act was identified in Audi in the context of the equivalent provision of the CTMR (now EUTMR) namely Article 7(1)(b) as follows:

33. It is clear from settled case-law that, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the goods in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish those goods from those of other undertakings (*Procter & Gamble v OHIM*, paragraph 32; *OHIM v Erpo Möbelwerk*, paragraph 42; Case C-144/06 P *Henkel v OHIM* [2007] ECR I-8109, paragraph 34; and Case C-304/06 P *Eurohypo v OHIM* [2008] ECR I-3297, paragraph 66).

34 According to equally settled case-law, that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the relevant public's perception of the mark (*Procter & Gamble v OHIM*, paragraph 33; Case C-25/05 P *Storck v OHIM* [2006] ECR I-5719, paragraph 25; *Henkel v OHIM*, paragraph 35; and *Eurohypo v OHIM*, paragraph 67).

35 As regards marks made up of signs or indications that are also used as advertising slogans, indications of quality or incitements to purchase the goods or services covered by those marks, registration of such marks is not excluded as such by virtue of such use (see *Merz & Krell*, paragraph 40, and *OHIM v Erpo Möbelwerk*, paragraph 41).

36 As regards the assessment of the distinctive character of such marks, the Court has already held that it is inappropriate to apply to slogans criteria which are stricter than those applicable to other types of sign (*OHIM v Erpo Möbelwerk*, paragraphs 32 and 44).

37 However, it is apparent from the case-law that, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see *Procter & Gamble v OHIM*, paragraph 36; *OHIM v Erpo Möbelwerk*, paragraph 34; and *Henkel v OHIM*, paragraphs 36 and 38).

38 While the Court has not excluded the possibility that that case-law may, in certain circumstances, be relevant to word marks consisting of advertising slogans, it has however stated that difficulties in establishing distinctiveness which may be associated with word marks consisting of advertising slogans because of their very nature – difficulties which it is legitimate to take into account – do not justify laying down specific criteria supplementing or derogating from the criterion of distinctiveness as interpreted in the case-law referred to in paragraphs 33 to 34 of the present judgment (see *OHIM v Erpo Möbelwerk*, paragraphs 35 and 36).

39 The Court has therefore held, in particular, that an advertising slogan cannot be required to display ‘imaginativeness’ or even ‘conceptual tension which would create surprise and so make a striking impression’ in order to have the minimal level of distinctiveness required under Article 7(1)(b) of Regulation No 40/94 (*OHIM v Erpo Möbelwerk*, paragraphs 31 and 32; see also Case C-392/02 P *SAT.1 v OHIM* [2004] ECR I-8317, paragraph 41).

...

44 However, while it is true – as was pointed out in paragraph 33 of the present judgment – that a mark possesses distinctive character only in so far as it serves to identify the goods or services in respect of which registration is applied for as originating from a particular undertaking, it must be held that the mere fact that a mark is perceived by the relevant public as a promotional formula, and that, because of its laudatory nature, it could in principle be used by other undertakings, is not sufficient, in itself, to support the conclusion that that mark is devoid of distinctive character.

45 On that point, it should be noted that the laudatory connotation of a word mark does not mean that it cannot be appropriate for the purposes of guaranteeing to consumers the origin of the goods or services which it covers. Thus, such a mark can be perceived by the relevant public both as a promotional formula and as an indication of the commercial origin of goods or services. It follows that, in so far as the public perceives the mark as an indication of that origin, the fact that the mark is at the same time understood – perhaps even primarily understood – as a promotional formula has no bearing on its distinctive character.

22. At paragraph 14 of the Decision the Hearing Officer identified, in my view correctly on the basis of the case law of the Court of Justice of the European Union (“*CJEU*”) including as identified in paragraph [34] of the Judgment in Audi, that distinctive

character must be assessed firstly by reference to the goods and services applied for; and secondly by referent to the relevant public's perception of the mark.

23. At paragraph 20 of the Decision the Hearing Officer made clear that she was not going '*to state, conclude or infer the sign is inevitably a "slogan" per se*'. It seems to me that by adopting this approach it is clear that the Hearing Officer had firmly in mind that whether or not BETTER MARKETS MAKE A BETTER WORLD would or would not inevitably be perceived as a 'slogan' did not alter the assessment that she was required to make. That is to say the Hearing Officer was fully aware that a sign that is perceived as a 'slogan' may or may not be registrable as a trade mark i.e. that it may be perceived by members of the relevant public both as a 'slogan' and as a trade mark.
24. Moreover, the approach adopted by the Hearing Officer confirms that she was fully aware that the criteria to be applied to the application in suit was the same as for all other marks and that no different or higher criteria were to be applied to 'slogan' marks. Further in this connection, I do not accept that the wording contained in the summary at paragraph 26 of the Decision when read in context alters this conclusion.
25. Turning to the identification of the average consumer of the services specified in the application it was submitted that the Hearing Officer erred in finding at paragraph 18 of the Decision that '*the services could be directed to the general public who may wish to utilise the services of a financial broker for e.g. personal investment.*' It seems to me that this is an entirely valid criticism. In my view the services specified namely '*Financial services, namely institutional sales and trading, execution services, principal trading, liquidity providing, market making, and operating a market for matching buy and sell orders*' are clearly directed at professionals from the finance sector and related industries and not to members of the general public. That that is the correct position was confirmed at the hearing of the appeal where it was accepted on behalf of the Registrar that the relevant average consumer was a '*specialist consumer*' i.e. a '*financial professional*'.
26. Given that that is the position, the question which then arises is whether this was a material error as contended for by the Applicant; or not as contended by the Registrar. In this connection it is important to have in mind firstly that the Hearing Officer explicitly found (also in paragraph 18 of her Decision) that '*professionals in the financial sector*' were consumers of the relevant services; and secondly that the level of attention of the average consumer (i.e. whether the professional public or the general public) was '*high*'. Neither of which findings are challenged by the Applicant.
27. It is said on behalf of the Applicant that the Hearing Officer approached the assessment that she had to make from the perspective of the general public whose level of attention would be lower than that of the professional public. That in my

view is not correct. There is nothing in the Hearing Officer's Decision to indicate that she did not have in mind the professional public in making her assessment or that she had in mind the perception of general public at the expense of the professional public.

28. In the circumstances it does not seem to me that error made be the Hearing Officer in wrongly identifying an additional category of consumer is a material one.
29. Moreover, as held by the CJEU in Case C-311/11P Smart Technologies ULC v. OHIM (ECLI:EU:C:2012:460) at paragraph [48] *'the fact that the relevant public is a specialist one cannot have a decisive influence on the legal criteria used to assess the distinctive character of a sign. Although it is true that the degree of attention of the relevant specialist public is, by definition, higher than that of the average consumer, it does not necessarily follow that a weaker distinctive character of a sign is sufficient where the relevant public is specialist.'*
30. Turning to the assessment made in paragraph 21 of the Decision it is submitted that the Hearing Officer had set the bar too high and that professional consumers to whom the specified services are directed, paying a high level of attention, would immediately perceive the mark as being multivalent in meaning such that it would trigger a 'cognitive process' making it more memorable and reinforcing its significance within the purchasing process such as to satisfy the requirements for registration.
31. I do not consider that is correct. In my view the Hearing Officer's assessment of the expression BETTER MARKETS MAKE A BETTER WORLD is neither unrealistic nor insufficient to establish that the application fell within the section 3(1)(b) objection.
32. With regard to the word 'world' the Hearing Officer correctly noted the word 'world' is a versatile word that can be used with various shades of meaning, which is not to say that any possible meaning of the word 'world' when used as part of BETTER MARKETS MAKE A BETTER WORLD is such as to lead to the conclusion that the expression as a whole is possessed of distinctive character.
33. Moreover, in the context of the present case, with regard to both the word 'markets' and the word 'world' in the expression BETTER MARKETS MAKE A BETTER WORLD the Hearing Officer took the view that when considered in the context of the services specified this would be taken to be reference to 'financial markets' and the 'financial world'. It seems to me that this was a finding that she was entitled to make.
34. It is my view that the statement BETTER MARKETS MAKE A BETTER WORLD is nothing more than an origin neutral statement about the services concerned. The

statement is composed of English words in accordance with English grammar. In my view it does not trigger a ‘cognitive process’ or require an ‘interpretive effort’ on the part of consumers (*c.f.* Case T-133/13 Pro-Aqua International GmbH v. OHIM (ECLI:EU:T:2015:46). That is to say that there is nothing in the statement of the kind which has been recognised as turning the simple message into an expression that is apt to indicate a specific commercial origin.

35. In the circumstances, it seems to me that the Hearing Officer was entitled to go on to hold that the expression BETTER MARKETS MAKE A BETTER WORLD would *‘be understood as a non-distinctive sign informing consumers that the undertaking (i.e. the applicant, or the ‘user’ of the sign) aims to provide better financial markets, which ultimately offers consumers greater opportunities and prospects’*.
36. The Applicant seeks to rely on certain internet search materials, which are not mentioned in the Decision after paragraph 8, in support of its contention that the *‘phrase is sufficiently idiosyncratic as not to be used by anyone other than the [Applicant] itself’*. I do not consider that this material is of assistance to the assessment that the Hearing Officer had to make as set out in paragraph 22 above. Therefore the fact that the Hearing Officer did not refer to such material in the application of the law to the facts of the present application is not to be regarded as an error.
37. In addition, I do not accept that there is anything in the wording of the findings made in paragraphs 21 and 22 of the Decision to suggest that the Hearing Officer was applying an excessively rigorous standard. For the reasons set out above I consider that she was doing no more and no less than correctly applying the standard as required in law for the assessment to be made under section 3(1)(b) of the 1994 Act.
38. Finally, with regard to the appeal on the basis that the Hearing Officer did not take proper account of: (1) other acceptances by the UK IPO and/or the EU IPO which were said to be ‘on a par’ with the application in suit; and (2) the acceptance by the USPTO of the same mark I do not accept that the Hearing Officer erred in making the findings she made.
39. I shall deal with this point shortly as it was not pressed on appeal. First, it seems to me that it was entirely right for the Hearing Officer to find that other acceptances of different marks containing the words ‘better world’ alongside other matter could be of no assistance to the totality of the application in suit. Second, as rightly observed by the Hearing Officer she was not bound by the decisions of other national offices.

Conclusion

40. In the end, it is in my view clear that each case must be determined on its own facts and in accordance with the law. The Applicant has not persuaded me that the Hearing Officer was wrong to refuse the trade mark application. In my view it was open to the Hearing Officer to come to the conclusion that she did.
41. In the circumstances, in the absence of any evidence of acquired distinctiveness the trade mark application should be refused pursuant to section 3(1)(b) of the 1994 Act.
42. The appeal from the Hearing Officer's Decision is dismissed. In accordance with the usual practice, the appeal is dismissed with no order as to costs.

Emma Himsworth Q.C.

Appointed Person

27 July 2016

Mr. Philip Roberts instructed by Brabners LLP appeared on behalf of the Applicant.

Mr. Nathan Abraham appeared on behalf of the Registrar.