(6) Decision File

IN THE MATTER of the Trade Marks Ordinance

AND

IN THE MATTER of Applications by CITIBANK N.A. to register the word mark "CITIBANK" in classes 9 and 16 in respect of "electronic apparatus and instruments, cash registers, calculating machines," and "printed matter, periodical publications, booklets, directories, cheques, travellers cheques, credit cards" respectively and the "CITIBANK LOGO" in class 16 in respect of "printed matter, periodical publications, booklets, directories, cheques, travellers cheques, credit cards"

# D E C I S I O N

of

Mr. A.H. Patel acting for the Registrar of Trade Marks

Hearing on 30th March, 1979

Mr. H. Porter of Messrs. Deacons, Solicitors appeared for the applicants CITIBANK N.A.

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On 16th October, 1975 First National City Bank a national banking association Chartered under the laws of the United States of America which changed its name on 1st March, 1976 to Citibank N.A.; of 399 Park Avenue, New York, United States of America (hereinafter called "the Applicant") submitted through its authorized agents, Messrs. Deacons, two Applications to the Registrar of Trade Marks (hereinafter referred to as "the Registrar") for the registration in part A of the Register of the word "CITIBANK" in clases 9 and 16 in respect of "electronic apparatus and instruments, cash registers, calculating machines" and "printed matter, periodical publications, booklets, directories, cheques, travellers cheques, credit cards," respectively.

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The supporting statutory declarations made by Patrick A. Mulhern, a vice president of the Applicant on 19th November, 1975 stated that the applied for mark "CITIBANK" had not been used by the Applicant either in a country or place other than Hong Kong, or in Hong Kong itself in respect of class 9 specifications but such applied for mark had been in use by the Applicant in the United States of America as well as in Hong Kong since July, 1965 in respect of the class 16 specifications.

On 23rd March, 1976 the Applicant submitted through its then authorized agents, Messrs. Wilkinson & Grist, the Application to the Registrar for the registration in part A of the Register of the word and device mark "CITIBANK LOGO" in class 16 in respect of "printed matter, periodical publications, booklets, directories, cheques, travellers cheques, credit cards." Photocopy of the mark is annexed to this decision.

The supporting Statutory Declaration made by Edward G. Harshfield, vice president of the Applicant on 11th May, 1976 stated that the applied for mark "CITIBANK LOGO" had been in use by the Applicant in the United States of America as well as in Hong Kong since 1st March, 1976 in respect of the class 16 specifications.

On 29th October, 1976 the Registrar required the furnishing by the applicant to him with promotional material or literature in relation to the actual goods proposed to be used of being used under the "CITIBANK LOGO" mark. This, however, has not been available to the Registrar.

Correspondence ensued between the Registrar and Messrs. Deacons and on 14th September, 1977 the Registrar advised that very careful reconsideration had been given to the registrability of the word "CITIBANK" in both classes 9 and 16 and he felt that the word "CITIBANK" was almost identical to and phonetically indistinguishable from, the dictionary words "City" and "Bank" and owing to such very direct reference of the words to the goods, the mark was not acceptable for registration in part A of the

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Register and that the former registration of the "CITICORP" mark in Hong Kong and the United Kingdom was not regarded as justification of registration of the applied for present marks.

Messrs. Deacons asked for a hearing under Section 74 of the Trade Marks Ordinance Cap. 43, (hereinafter referred to as "the ordinance") and Rule 18 of the Trade Marks Rules. Mr. H. Porter solicitor appeared on behalf of the Applicant at the hearing on 30th March, 1979. He made oral submissions. He contended that the Applicant is associated with Citicorp Group of New York which owns a number of registered marks with the prefix "CITI". The mark "CITICORP" had proceeded to registration in the United Kingdom in part A of the register and the previous registration of the mark "CITIBANK Insurance and Device" in Hong Kong by the Registrar lent support to the present applications as in Mr. Porter's view. Consistency of the register ought to be observed. I must, however, have regard to the Registrar's duty to maintain the purity of the register and even if the marks in these applications were to be regarded as borderline cases it would be my duty to refuse their registration. Of relevance here, are the remarks made by Lloyd - Jacob J. in the "Verve Case", Verve's Records Inc.'s Application to Register a Trade Mark (1958) RPC 3 where he said at page 7 :-

> "This case to my mind illustrates the value of user in establishing the reaction of the purchasing public to the use of an ingeniously selected word. So long as speculation on that matter is unavoidable, assumptions must be made and weighed, and the paramount duty of the Registrar to maintain the purity of the Register may well incline him to place reliance upon possibilities, which experience in actual trade practice may demonstrate to be so far removed from reality as to be improbable when the factual distinctiveness of a mark comes to be measured."

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I am further guided by the following excerpt from pages 111 and 112 of Kerly's Law of Trade Marks, 10th Edition (hereinafter referred to as "Kerly") :-

> "The various decisions are listed below. Few of them are of value as laying down any definite principle; nor would they seem to imply any very consistent practice. One reason may lie in this, that almost every immediately attractive trade mark is, in some sense, descriptive or laudatory of the goods and so in some degree has reference to their character or quality. The difficulty is to decide whether that reference is a direct reference: one that seriously affects the word's capacity for distinguishing goods from a particular source, as distinct from the sort of reference that can be found only as an academic exercise. This is at best a somewhat metaphorical question and one depending ultimately upon the reaction of the public to the chosen word. In these circumstances, the Registrar, who has a duty to maintain the purity of the Register, may well incline to rely upon possibilities of interpretation of a mark which later experience may show to be fanciful. Sometimes he can be persuaded by argument; but in general, the applicant's proper course is to apply again when the mark has been tested by use. This is by no means to be regarded as a hardship upon applicants: it must not be forgotten that if the Registrar registers under Section 9(1)(d), without evidence of distinctiveness, a mark that is later held to be directly descriptive, the mark may (until seven years have elapsed since registration) be struck off as wrongly registered."

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I consider that the proper course of action for the Applicant would be to use the applied for marks in the course of their trade so as to establish that factual distinctiveness to enable registration at a later date.

I understand that the mark "CITIBANK" has been registered in the United Kingdom in classes 9 and 14 in part B only. No user evidence is necessary there for such registration.

Mr. Porter attempted to persuade me that the applied for word mark "CITIBANK" has an essential characteristic of inventiveness without reference to the goods and people using goods in the relevant classes 9 and 16 would not be prejudiced.

I shall deal with the arguments in connection with this application by reference to the various relevant paragraphs contained in Section 9(1) of the Trade Marks Ordinance. It is settled law that the paragraphs are to be considered separately, and that if the mark satisfies any one paragraph and is distinctive it can be allowed notwithstanding the fact that it may not satisfy the criteria in the other paragraphs.

"An invented word or invented words"

Section 9(1)(c) of the Ordinance provides that a registrable trade mark may contain or consist of an invented word or invented words. The leading case on this subject is Eastman Photographic Materials Co. Ltd.'s Application (1898) 15 RPC 475 (the "Solio" case). The case has been cited on numerous occasions, but for the purposes of this decision I shall refer to those passages which I think are of particular relevance.

(1) The Lord Chancellor, at page 483 -

"The line must be sometimes difficult to draw; but, to my mind, the substance of the enactment is intelligible enough, and the Comptroller has to make up his mind whether in substance there has been an infringement of the rule. Of course, also, words which are merely misspelt but which are nevertheless in sound ordinary English words, and the use of which may tend to deceive, ought not to be permitted.".

(2) Lord Herschell, at page 485 -

"...but if the word be an "invented" one, I do rot think the quantum of invention is at all material. An invented word is allowed to be registered as a Trade Mark, not as a reward of merit, but because its registration deprives no member of the community of the rights which he possesses to use the existing vocabulary as he pleases. It may no doubt sometimes be difficult to determine whether a word is an invented word or not. I do not think the combination of two English words is an invented word, even although the combination may not have been in use before, nor do I think that a mere variation of the orthography of termination of a word would be sufficient to constitute an invented word, if to the eye or ear the same idea would be conveyed as by the word in its ordinary form.".

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(3) Lord Macnaghten, at page 486 -

"But the word must be really an invented word; nothing short of invention will do. On the other hand, nothing more seems to be required. If it is an invented word - if it is "new "and freshly coined" (to adapt an old and familiar quotation), it seems to me that it is no objection that it may be traced to a foreign source, or that it may contain a covert and skilful allusion to the character or quality of the goods - I do not think that it is necessary that it should be wholly meaningless.".

(4) Lord Shand, at page 487 -

"...the Comptroller-General will be fully warranted in taking care that there shall not be admitted, under the guise or cover of words called 'invented' by the applicant, words really in ordinary use, which might, in a disguised form, have reference to the character or quality of the goods. There must be invention, and not the appearance of invention only. It is not possible to define the extent of invention required; but the words, I think, should be clearly and substantially different from any word in ordinary and common use. The employment of a word in such use, with a diminutive or a short and meaningless syllable added to it, or a mere combination of two known words, would not be an invented word; and a word would not be 'invented' which, with some trifling addition or very trifling variation, still leaves the word one which is well known or in ordinary use, and which would be quite understood as intended to convey the meaning of such a word.".

Another case which is often referred to in connection with the question of whether or not a mark consisted of an invented word is 'he "Diabolo" case (1908) 25 RPC 565. In the judgment of Parker J. it is stated at p. 569 :-

> "... To be an invented word, within the meaning of the Act, a word must not only be newly coined, in the sense of not being already current in the English language, but must be such as not to convey any meaning, or, at any rate, any obvious meaning, to ordinary Englishmen. It must be a word having no meaning or no obvious meaning until one has been assigned to it. I use the expression 'obvious meaning' and refer to 'ordinary Englishmen' because to prevent a newly coined word from being an invented word, it is not enough that it might suggest some meaning to a few scholars.".

Although the principles upon which the Registrar should act are adequately set out in "Solio" and "Diabolo", it has been acknowledged that the application of those principles is a matter of considerable difficulty. This difficulty was touched upon in S.F. & O. Hallgarten's Application for the registration of the word mark "Whisqueur" (1948) 66 RPC 105, where it is stated at page 107 :-

> "...The main principles to be employed in determining such a question were set out in the judgments in the "Solio" case, but it has often been stated in later cases that the application of these principles may be a matter of considerable difficulty, that each case must be decided upon its merits, and that no clear-cut rules can be laid down for determining the standard of invention to be applied.".

The case of Edward Ripley & Son's Application (1898) 15 RPC 151 also supports the principle that a mark which is the phonetic equivalent of an unregistrable mark is itself unregistrable. Kekewich J. said that the word "Pearl" was in the circumstances of the case unregistrable, and went on to say (at page 154) :-

> "That seems to me to put an insuperable difficulty in the Applicant's way when they come to register "Pirle". Of course it is a different word to the eye, and if the eye only were concerned, there might be a good deal to be said in favour of (the) argument. But it is not the eye only, even if it is the eye principally, that is consulted. The ear must be consulted, and to any ordinary person the difference between "P-e-a-r-l" and

"P-i-r-l-e" is not to be perceived. If "Pearl" is wrong, it seems to me that "Pirle" must be clearly wrong. I agree with the Comptroller in saying it is a mere mis-spelling of the former word. If the Applicants fail as regards one, they must fail as regards the other.".

"I base my decision simply on the ground that "Pearl" being now, at any rate, not capable of registration, another word, which is precisely the same in tone and sound, so that every ear would be deceived, is equally incapable of registration, and on that ground I refuse the motion, with costs.".

Lord Herschell stated in the Solio case, (supra) as quoted in Section 8-18 of Kerly :-

"I do not think the combination of two English words is an invented word, even although the combination may not have been in uee before;"

He also remarked on the same page of Kerly :-

".....a mere combination of two known words would not be an invented word."

In view of this authoritative dicta, I reject the argument that the word "CITIBANK" is an invented word. No submissions were made at any stage on the Registrar's objection that the word "CITIBANK" is phonetically indistinguishable from, the dictionary words "City"and "Bank" and to my mind, there can be no denial of this proposition. For the reasons stated, I have decided that the word "CITIBANK" should for the purposes of Section 9 be treated as the two words "City" and "Bank".

Mr. Porter further argued at the hearing that if the applied for marks do not qualify for registration under Section 9(1)(c) of the ordinance then they do so under Section 9(1)(d). I now proceed to consider this aspect.

<u>"A word or words having no direct reference to the character or quality of the goods"</u>

Section 9(1)(d) of the ordinance provides for the registration of "a word or words having no direct reference to the character or quality of the goods, and not being according to its ordinary signification a geographical name or a surname". There is no question in this application of the mark being regarded as a geographical name or a surname, and it is necessary to decide only whether or not the word can be regarded as a word having a direct reference to the character or quality of the goods. In many ways, I regard this aspect of my decision as the most difficult.

The decisions on the point have been regarded as being of limited value insofar as they lay down any definite principle. Furthermore, they do not imply any very consistent practice. It has been said in Kerly's Law of Trade Marks and Trade Names, 10th Edition, at page 111 :-

> "that almost every immediately attractive trade mark is, in some sense, descriptive or laudatory of the goods and so in some degree has reference to their character or quality. The difficulty is to decide whether that reference is a direct reference: one that seriously affects the word's capacity for distinguishing goods from a particular source, as distinct from the sort of reference that can be found only as an academic exercise. This is at best a somewhat metaphorical question and one depending ultimately upon the reaction of the public to the chosen word.".

The case of Keystone Knitting (1928) 45 RPC 421, commonly known as the "Charm" case, is of assistance in that it puts the test for deciding whether a mark has a direct reference to the character or quality of the case in a simple and straightforward manner in so far as this is possible. The Master of the Rolls, Lord Hanworth said, at page 426 :-

> "...the question is whether or not the word "Charm" is a registrable trade mark, of which the definition is that it "must consist of at least one of the following "essential features", namely, "A word having no direct reference to the "character or quality of the goods." Can it be said that the word "Charm" fulfils that test? I think one has to look at the word which is registered, not in its strict grammatical significance, but as it would represent itself to the public at large who are to look at it and to form an opinion as to what it connotes.".

He went on to say :-

> "But one has to bear in mind that the word is used as a word and, I think, is used upon ladies' stockings or, as Mr. Justice Clauson puts it, "articles of "feminine use or adornment." That is where it is used and that is the purpose for which it is used. In that connection it seems to me that the second possible significance of the word is negatived and one comes back to see whether, not grammatically, not as a portion of a sentence, the word can be used to signify or to call up in the minds of those who read it a quality or character of the goods. To my mind it seems only necessary to put the question in that form to answer it in the affirmative. I cannot

think of any other purpose for which the word could be used or any other significance which could be attached to it. If that be so, then it appears to be a word which does have a direct reference to the character or quality of the goods. If that be so, then it offends against the canons laid down in Section 9, paragraph (4), for, if it is to be a registrable trade mark, it must consist of a word which has no direct reference to the character or quality of the goods.".

The "Charm" cases makes it quite clear that in order to decide whether a word has a direct reference to the character or quality of the goods the Registrar must have regard to the goods to which the mark relates. Possibly, this is stating the obvious, but it is of relevance in the present case. A further principle established by the "Charm" case is that one's consideration of the mark should not be limited to its strict grammatical meaning only. What the Registrar has to do is to decide whether the word "can be used to signify or to call up in the minds of those who read it the character or quality of the goods.".

In considering the question whether the word signifies or calls up in the minds of those who read it the character or quality of the goods the case of Weingarten Brothers v. Charles Bayer & Company (the "Erect Form" case)(1905) 22 RPC 341 is of some assistance. This case was not decided under the particular section in question, but the problem of whether or not the expression "erect form" was a descriptive term was considered. In the course of his judgment Lord Macnaghten said at page 348 :-

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"The name, too, took the fancy of the public. It also was new. No one had known it applied to such a thing as a corset before. It was "a happy "description," as one of Mr. Charles Bayer's witness said - happy, perhaps, because it left it uncertain whether the allusion was to the cut of the garment or to the graceful and stately carriage which the wearer was enabled or compelled to asaume.".

At page 349 :-

"The words were common English words and simply descriptive. No one could be prevented from using them."

Having considered the above authorities, I have no hesitation in concluding that the applied for marks "CITIBANK" would impress upon the minds of many that the articles specified in the applied for specifications emanate from a bank in a city.

As I have reached the view that the word "CITIBANK" is not an invented word and the marks applied for have a direct reference to the character or quality of the goods, and as Section 9(1)(a), (b) and (e) of the Trade Marks Ordinance are not applicable, I have to refuse the applications.

No question of part B registrations under Section 10 of the ordinance arises as there is not filed evidence of bona fide user in Hong Kong prior to the date of the Applications.

( A.H. Patel )
Assistant Principal Solicitor
25th July, 1983

CITIBANK