

Application No. 7318 of 1992

IN THE MATTER of the Trade Marks
Ordinance (Cap. 43)

AND

IN THE MATTER of application no. 7318 of
1992 by New York Mercantile Exchange to
register the trade mark “NEW YORK
MERCANTILE EXCHANGE” in Class 36

**DECISION
OF**

Ms Fanny Pang acting for the Registrar of Trade Marks after a request for Statement of Grounds of the Registrar’s Decision made by Messrs. Robin Bridge & John Liu on behalf of the applicant.

1. On 2 March 1992, New York Mercantile Exchange, a corporation organised and existing under the laws of the United States of America (“the applicant”), applied to register, in Part A of the Register, the trade mark “NEW YORK MERCANTILE EXCHANGE” in class 36 in respect of “providing exchange market services for trading in commodity futures and options contracts”.

2. By letter dated 6 November 1992, the Registrar of Trade Marks (“the Registrar”) objected to the application on the grounds that the words “NEW YORK”, carrying strong geographical signification, is not registrable under section 9(1)(d) of the Trade Marks Ordinance (“the Ordinance”). The words “MERCANTILE EXCHANGE” are considered to be totally indistinctive of the services applied for and therefore are objectionable under section 9(1)(e) of the Ordinance. Objection was also taken under section 10 of the Ordinance that the mark is not inherently capable of distinguishing the applicant’s services from similar services of others.

3. The applicant did not dispute the prima facie objection at that time and filed evidence of use of the mark on 21 February 1995 with a view to persuading the Registrar that, by virtue of acquired distinctiveness, the mark had become adapted to distinguish under section 9(3) of the Ordinance. The evidence of use consisted of a statutory declaration, dated 14 February 1995, by Mr. Neal Wolkoff, the Executive Vice President of the applicant. For clarity sake, I need to mention that this statutory declaration was filed not only for the purpose of the subject application but also for application no. 7317 of 1992 filed by the same applicant for the registration of the mark “NEW YORK MERCANTILE EXCHANGE ACCESS” in respect of the same services in class 36.

4. So far as the subject application is concerned, Mr. Wolkoff declared in paragraph 4 of his statutory declaration that the applicant has used the mark “NEW YORK MERCANTILE EXCHANGE”, continuously since at least as early as 1985 in Hong Kong in respect of exchange market services for trading in commodity futures and options contracts although all trade is conducted in New York or routed through the New York trading centre. However, the evidence submitted was not considered adequate for the establishment of satisfactory user of the subject mark. Subsequently, the applicant had filed supplemental documents and information and there had been an exchange of correspondence and arguments between the Registrar and the applicant in respect of the submitted evidence of use. The applicant failed to

convince the Registrar that the mark has acquired factual distinctiveness by virtue of any user in Hong Kong. As a result, the applicant reverted to the argument that the mark is registrable on a prima facie basis. In view of this, I do not think that I need to go through the matters in respect of the applicant's submitted evidence of use.

5. The applicant submitted that the same mark "NEW YORK MERCANTILE EXCHANGE" in class 36 was accepted in the United Kingdom subject to the separate disclaimers of the words "NEW YORK", "MERCANTILE" and "EXCHANGE". No user evidence was required on the giving of separate disclaimers but the mark had to be advertised before acceptance. It submitted that the Registry in Hong Kong should take a similar line to registration of the subject mark as was taken in the United Kingdom, where separate disclaimers were sufficient to overcome the geographical and descriptiveness objections.

6. The applicant also argued that it has a *de jure* monopoly in and right to use the mark in the United States of America or anywhere else. To support its case, the applicant produced a copy of its charter. The applicant contended that it was created by a special Act of the legislature of the State of New York which was passed on 27 March 1874. As a result of the Act, the applicant has a legal monopolistic right to use the name "NEW YORK MERCANTILE EXCHANGE" and to conduct the business of commodities exchange. No other trader is entitled to use the trade mark "NEW YORK MERCANTILE EXCHANGE" in New York, or anywhere else, and if it were to do so, this would amount to dishonest appropriation of the applicant's name and mark. Any other trader using or attempting to use the trade mark "NEW YORK MERCANTILE EXCHANGE" without the authorisation of the applicant would be perpetrating a deliberate act of deception, calculated to create the dishonest impression that its goods or services originate from the New York Mercantile Exchange. Hong Kong is an international financial centre, with high levels of market awareness and participation in global commodities trading. It is not acceptable in this case to put the Hong Kong public at risk from unscrupulous traders seeking to deceive the public into thinking that its goods or services derive from a statutory body based in the United States.

7. The applicant further argued that the mark is analogous to the advertised mark "UNITED STATES POLO ASSOCIATION" which was accepted with separate disclaimers of "UNITED STATES" and "POLO ASSOCIATION" in classes 18 and 25. The United States covers a vastly greater geographical area than the city or state

of New York. It would therefore be logical to assume that “UNITED STATES POLO ASSOCIATION” would be totally unacceptable for registration or at least would be less acceptable for registration than the subject mark. The applicant would be prepared to offer to disclaim, separately, “NEW YORK” and “MERCANTILE EXCHANGE”. Furthermore, in order to facilitate acceptance, the applicant would be prepared to transfer the application to Part B of the register.

8. By letter dated 16 December 1999, the Registrar maintained that the mark is not capable of distinguishing. This letter covers both the subject application and application no. 7317 of 1992. The relevant passages are reproduced as follows :

“ Your further submissions have been considered but I am not prepared to alter my view. I maintain that the applications have to be refused.

As conveyed to you as early as on 18 July 1995 in the informal discussion in relation to the mark “NEW YORK MERCANTILE EXCHANGE ACCESS”, we have informed you that the mark is too descriptive for prima facie registration. This is supported by the UK decision where the two subject marks could only be allowed in Part B under the old UK 1938 Act on the basis of evidence of use (UK Journal Nos. 6087 and 6088 refer). The fact that the applicant has been created by statute does not mean that the marks have now become distinctive, capable for prima facie registration. The two marks being composed of descriptive and indistinctive elements, are unregistrable in accordance with section 9(1)(d) and (e) of the Trade Marks Ordinance.

I would draw your attention again to the reported case “Australian Airlines & Device” (16 IRP 270) where the words “Australian Airlines”, though being a “protected name” in Australia, have to be totally disclaimed because it was held such combination is inherently non-distinctive. This is similar to your client’s name “NEW YORK MERCANTILE EXCHANGE”.

Regarding your quoted examples “UNITED STATES POLO ASSOCIATION”, I maintain the view that they are better than your client’s marks because this mark, being an association name, is somewhat fanciful when used in relation to goods in Classes 18 & 25. ”

9. It is in respect of the decision in the letter dated 16 December 1999 that I am now asked to state in writing the grounds of my decision and the materials used by me in arriving at it under Trade Marks Rule 20(2).

10. No satisfactory pre-application evidence of user has been put before me and no special circumstances have been drawn to my attention. I shall elaborate on this point later. I have, therefore, only the *prima facie* case to consider.

11. “New York”, according to its ordinary signification, is a geographical name and is not registrable under section 9(1)(d) of the Ordinance. It has no other recognised and non-objectionable meanings which would outweigh its geographical significance. The correct approach as to how one should view geographical names was identified by Gratham J. in *Tijuana Smalls* [1973] RPC 453 at 459 where he said :

“For my part, on the law as it stands at present, I think the true conclusion to be drawn from the statute and the cases dealing with it is that the matter is one of degree. There are words whose primary signification is geographical, and where the geographical significance is so general and so likely to be adopted or desired for use by more than one trader it would be wrong, however distinctive they may in fact have become, ever to allow one trader by registration to seek to monopolise them. YORKSHIRE and LIVERPOOL are such cases.”

12. I would say that New York is also such a case. In my view, its geographical significance can never be lost because its geographical significance is so general and so desired for use by more than one trader that it would be wrong to allow one trader to monopolise the mark by registration, even if there is use.

13. I note that the applicant is prepared to offer separate disclaimers of “NEW YORK” and others (see paragraph 7 above). The next question then for me is, would it make a difference if “NEW YORK” is used in combination with “MERCANTILE EXCHANGE”? The 1991 Edition of the Collins English Dictionary includes among the meanings of “exchange” and “mercantile” the following meanings which I consider are the most relevant for the purpose of this application :

Exchange : “a place where securities or commodities are sold, bought or traded

especially by brokers or merchants : a stock exchange; a corn exchange”.

Mercantile : “of, relating to, or characteristic of trade or traders; commercial”.

14. In the absence of evidence as to what secondary meaning the combination of the words “NEW YORK MERCANTILE EXCHANGE” possesses, on a *prima facie* case, the words convey no more than that the services are exchange market services for trading in securities or commodities, either provided by an American company based in New York or provided by any company in respect of a New York Exchange Market. As such, the mark as a whole has a direct reference to the character of the specified services and is not registrable under section 9(1)(d) of the Trade Marks Ordinance. In the absence of evidence of use, I am bound to hold that the mark is not distinctive within the meaning of paragraph (e) of section 9(1). For these reasons, the mark is not registrable in Part A.

15. Given that the mark as a whole is an apt, descriptive term for the specified services, I consider it is highly likely that other traders such as brokerage companies, in describing and advertising their services, may need to refer to the words “NEW YORK MERCANTILE EXCHANGE”. Take an example, the brokerage companies may say, in a purely descriptive sense, that they provide immediate access to the trading floor of the New York Mercantile Exchange. They should be free to do so without trespassing on the exclusive right granted to the applicant. It should be borne in mind that one is not required to look closely at what would amount to infringement when considering registration. It is well-known that owners of registered marks often make exaggerated claims of infringement. Registration of words which are or are likely to be used by others as a description raises just this kind of risk. That possible defences (and in particular that the use is merely a *bona fide* description) should not be taken into account when considering registration is very well-settled. Essentially, the reason is that privilege of a monopoly should not be conferred when it might require honest men to look for a defence. (See *COLORCOAT Trade Mark* [1990] RPC 511 at 516 and 517.)

16. Separate disclaimers of the words cannot help because other traders are likely to want to use the words in combination. I will borrow the words of Mr. Myall in the case of *Philip Morris Inc’s Trade Mark Application* [1980] RPC 527 at 533 that “the public have no notice of disclaimers, except in so far as they are entered on a register open to public inspection, and a disclaimer is not to be regarded

as a means of getting a mark registered that is clearly not registrable per se without a disclaimer”. I consider that the proposed separate disclaimers of “NEW YORK” and “MERCANTILE EXCHANGE” do not assist this application. The combination of the words does not create a fanciful whole. I am not satisfied that the joinder renders the mark inherently capable of distinguishing any more than use of the words separately would be held to do so. The mark is not inherently capable of distinguishing under section 10 of the Ordinance and without evidence of distinctiveness does not qualify for registration in Part B.

17. Evidence of distinctiveness is needed to register a highly descriptive mark. However, some marks are so highly descriptive that distinctiveness in fact, proved by user evidence, cannot establish a capability to distinguish in law. In such cases, registration, even in Part B, must be refused as the inherent incapability of the mark is such that even 100 per cent factual distinctiveness cannot counterbalance it. In *The Solid Fuel Advisory Service Mark* [1990] RPC 535, the applicants sought registration in Part A of the register of the words “The Solid Fuel Advisory Service” presented in four lines and three colours, for “advisory services included in class 42 relating to the use and combustion of solid fuel and of solid fuel products”. The term “Solid Fuel” appears in Collins Dictionary of English Language, 2nd Edition with definition (1) a noun, a domestic or industrial fuel, such as coal or coke that is a solid rather than an oil or gas. Thus it was held that the mark merely indicates an Advisory Service on the subject of solid fuel and is wholly descriptive of such a service. The mark therefore is not acceptable prima facie in Part A. Other bodies might wish to provide a similar service and registration could restrict their legitimate freedom to describe it. It was not, therefore, acceptable prima facie in Part B. The applicant submitted evidence of use in that case in order to overcome the objection. However, it was held that the evidence did not establish that the mark was either inherently adapted to distinguish or inherently capable of distinguishing the applicant’s services; the mark was *a priori* unregistrable for the services claimed.

18. The applicant argued that it was created by a special Act of the legislature of the State of New York which was passed on 27 March 1874. As a result of the Act, the applicant has a legal monopolistic right to use the name “NEW YORK MERCANTILE EXCHANGE” and to conduct the business of a commodity exchange. In support of this argument, the applicant has produced a copy of its charter. According to para. 11.02(A) of Chapter 1 of the Charter, the principal object of the corporation shall be to provide and regulate a suitable room or rooms for an

Exchange in the City of New York or elsewhere in the State of New York. As indicated in the applicant's certificate of incorporation, one of the purposes for which the corporation is formed is to provide, maintain and regulate an exchange for the transaction by its members of the business of purchasing and selling commodities and any services, rights and interests which may be sold on a commodity exchange. I can find nothing in the copy charter produced which expressly states that the applicant has a legal monopolistic right to use the name "NEW YORK MERCANTILE EXCHANGE" and to conduct the business of a commodity exchange. The charter only shows that it has a right so to do.

19. Moreover, even if the applicant does have such a legal monopoly, the legal monopoly is confined to the United States of America, not extending to other territories. Even if I take the best view of the case supposing that the applicant does have a legal monopoly to use the name "NEW YORK MERCANTILE EXCHANGE" and to conduct the business of a commodity exchange in relation to the New York Exchange Market in Hong Kong, these do not create any rights or special circumstances in the applicant in gaining registration of the words pursuant to the provisions of the Ordinance if the mark as applied for is not, of its inherent nature, qualified for registration.

20. Similar arguments were raised in *Family Assurance Society's Service Mark* [1992] RPC 253 and *Re Australian National Airlines Commission* [1989] 16 IPR 270. In the *Family Assurance Society's* case, the applicants sought registration in Part A of the register of a device mark and the words "Family Assurance Society" in respect of "life assurance and investment management services; all included in class 36". The applicants did not dispute that the mark was not registrable *prima facie* and filed evidence of its use prior to the date of application. The Registrar was prepared to advertise the application as unaccepted under the proviso to section 18 subject to a disclaimer of the words in the mark. The applicants did not agree to the disclaimer and filed further evidence in support of their claim to a monopoly in them. The application was refused and it was held that (1) the evidence filed did not substantiate the applicants' claim to a monopoly in the words in respect of the services provided; the words were wholly descriptive of the services and were inherently unregistrable; and (2) other bodies providing similar services might wish to use the words descriptively; a disclaimer was necessary in order to make clear that registration did not restrict their legitimate freedom to do so.

21. At page 256 of the case, the agent argued that her clients, who are a Registered Friendly Society, have a statutory and de-facto monopoly in the mark in the area of trade in which they are established, namely the provision of insurance and financial services by Friendly Societies. The applicants are prepared to qualify the services at issue to make it clear that they were all offered by Friendly Societies. In support of the claim that the applicants are entitled to a monopoly in the words “Family Assurance Society” the agents provided a copy of a letter from the Registry of Friendly Societies confirming that the chief registrar of Friendly Societies would not be prepared to register a new Friendly Society under a name identical to or similar to that of an existing society on the Register of Friendly Societies i.e. no other Friendly Society could operate using the name Family Assurance Society and by virtue of this fact she argued that a disclaimer to the words is unnecessary.

22. To that submission the hearing officer Mr. W. A. Tennant said at page 256 :

“There is no doubt that the applicants have acquired a reputation in the mark as applied for i.e. a device of human figures and the words “Family Assurance Society”; the human figures appearing to be suspended from a segmented semi-circle device with the words completing the lower half of the circle. This does not of course mean that they have an exclusive right to the use of the separate elements of the mark unless such elements are registered separately. As far as I am aware no such applications have been made. The words “Family Assurance Society” have in my view a direct and close reference to services included within the specification of the application i.e. “Life Assurance and Investment Management Services, all included in class 36”. Registration of the mark applied for on the basis of acquired factual distinctiveness, either in Part A or Part B of the register, without a disclaimer to the exclusive use of the words “Family Assurance Services”, could well embarrass other traders in the same or similar services who might legitimately wish to use the term “Family Assurance Services”, “Family Assurance Policies” or one closely resembling the mark in a descriptive sense in relation to their services. Although it is clear from the previously mentioned letter from the registrar of Friendly Societies that no other Friendly Society could register a name the same as or similar to the applicants, it does not prevent other individuals or commercial enterprises wishing to use it for insurance or investment services in the ordinary course of their business and they should be free to do so. The entry of a disclaimer will ensure this freedom.

Obviously the words “Assurance Society” form part of many company names in this insurance/assurance field and are completely descriptive and non-distinctive in respect of the services claimed. The addition of the word “Family” in my opinion adds no distinctive element to the totality as the word “Family” is commonly used by insurance companies to describe policies which provide financial protection/security for the family. The use of separate disclaimers to the words “Family” and “Assurance Society” is discounted as no inherently distinctive combination of words is formed”

23. In the case of *Family Assurance Society*, the mark applied for was a composite mark consisting of both the words “Family Assurance Society” and the device of human figures suspended from a segmented semi-circle. The application could proceed on evidence of acquired distinctiveness subject to a total disclaimer of the unregistrable element in the composite mark, that is, the words “Family Assurance Society”. As the mark applied for is a word mark comprising the words “NEW YORK MERCANTILE EXCHANGE” which as a whole is unregistrable, a disclaimer will not assist this application.

24. In *Re Australian National Airlines Commission*, the applicant, Australian National Airlines Commission, sought registration for several trade marks as a series in Part A of the register consisting of combination kangaroo and triangle device with the words “Australian Airlines” or “Australian Cargo”. Objection was taken that the marks had direct reference to the character or quality of the goods or services of the applicant/application and they were non-distinctive. The applicant claimed the marks to be distinctive and adapted to distinguish the goods or services of the applicant from those of other traders. The applicant also relied on provisions of the Australian Airlines (Conversion to Public Company) Act 1988 (Cth) which, inter alia, prohibited use by persons other than the applicant of the words “Australian Airlines” or “Australian Cargo” as sought for registration as “special circumstances” justifying registration. The applicant also offered to separately disclaim the words “Australian” and “Airlines” or “Australian” and “Cargo”. To that submission, the hearing officer Mr. I. M. Forno said at page 274 :

“It would seem that the protection provided under s.25 appears to extend only to the prohibition on others using the protected name(s) – it says nothing about the rights of the applicant company to acquire rights under the Trade Marks Act. It would also seem that what constitutes a “protected body” could be varied from time to time and

extend to more than just the applicant company. The words “Australian Airlines” are not registrable under the Trade Marks Act as they are not distinctive of the goods or services of any particular Australian airline. The words are simply descriptive of goods or services provided by the applicant and others in the trade, and lack any inherent adaptability to distinguish the applicant’s goods or services from those of others who are equally entitled to employ ordinary English words in common use. The question remains whether, despite the lack of inherent distinctiveness of the proposed mark, the applicant is entitled to the protection of the Trade Marks Act by virtue of other legislation which protects the words from use by others.

In this respect I think the words of Kitto J in *Clark Equipment Co v Registrar of Trade Marks* (the *Michigan* case) (1964) 111 CLR 511 at 513; [1965] ALR 344 are relevant: “It is undeniable that a mark which, considered by itself, would seem unadapted to that purpose, because its natural signification is against a notion that goods to which it is applied are the goods of the applicant and of no one else, may yet come by actual use or by virtue of special circumstances to be so closely associated with the applicant’s goods in the minds of the relevant public that its apparently disqualifying signification is effectually obscured, and distinctiveness in fact is thus achieved. But although such a measure of practical success with the mark may well provide a sufficient foundation for a passing off action, the Trade Marks Act does not accept it as necessarily sufficient for the special protection which it affords to registered trade marks.”

25. I now turn to the applicant’s concurrent application in the United Kingdom for the same mark “NEW YORK MERCANTILE EXCHANGE” in class 36 which was mentioned in paragraph 5 above. First, I would like to point out that according to the advertisement of the corresponding application for the subject mark in class 36 in the United Kingdom appearing in the United Kingdom Trade Marks Journal No. 6088, the application was stated to be “advertised before acceptance”. Section 18(1) of the United Kingdom Trade Marks Act 1938 provides as follows :

“18. – (1) When an application for registration of a trade mark has been accepted, whether absolutely or subject to conditions or limitations, the Registrar shall, as soon as may be after acceptance, cause the application as accepted to be advertised in the prescribed manner, and the advertisement shall set forth all conditions and limitations subject to which the application has been accepted:

Provided that the Registrar may cause an application to be advertised before acceptance if it is made under paragraph (e) of subsection (1) of section nine of this Act, or in any other case where it appears to him that it is expedient by reason of any exceptional circumstances so to do, and where an application has been so advertised the Registrar may, if he thinks fit advertise it again when it has been accepted but shall not be bound so to do.”

26. As such, the applicant’s concurrent United Kingdom application, being in the category of the cases as provided for in the proviso to section 18(1), was allowed in Part B under the United Kingdom Trade Marks Act 1938 on the basis of evidence of use. Therefore, the reference value of the concurrent United Kingdom application is negligible to the subject application.

27. I now go on to consider the last point raised by the applicant that as the mark “United States Polo Association” was accepted for registration by the Registrar, the subject mark should also be accepted for registration. In the Registrar’s letter dated 16 December 1999, the examiner stated at the last paragraph that the quoted example “UNITED STATES POLO ASSOCIATION”, being an association name, is somewhat fanciful when used in relation to goods in Classes 18 and 25. There is no doubt that whether a mark is descriptive or not is to be judged in relation to the applied for goods or services within the specifications. Even if the applicant is not with the Registrar relating to such an observation and finds that there are variations in the Registrar’s approach to the applications for registrations, it should be borne in mind that each case must be considered on its own merits (see *Colorcoat Trade Mark* [1990] RPC 511 at 517 and *Madame Trade Mark* [1996] RPC 541 at 545).

28. In this decision I have considered all the material available before me and all the arguments submitted by the applicant in relation to this application and, for the reasons given, the application is refused.

Signed

(Ms Fanny Pang)
p. Registrar of Trade Marks
1 March 2001

