

Trade Mark No. 16240 of 1997

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

AND

IN THE MATTER of application no. 16240  
of 1997 by Citibank, N.A. of U.S.A. to  
register the trade mark "CITIBUSINESS" in  
Class 36

**DECISION  
OF**

Mr. Kestutis Stasys Kripas 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 applicants.

## *Background*

On 13 November 1997, Citibank, N.A. of USA applied to register in Part A of the Register, the mark "CITIBUSINESS" in Class 36.

2. Rule 19(1A) of the Trade Marks Rules ("Rule/s") provides that if the Registrar is willing to accept the application subject to any conditions, amendments, disclaimers, modifications or limitations he shall send to the applicant written notice of such willingness.

3. The Registrar objected to the application in Part A on the basis that the mark was not distinctive within the meaning of section 9(1)(e) of the Trade Marks Ordinance. The Registrar accepted however that the mark was inherently capable of distinguishing the applicant's services from similar services of others and indicated that he was, accordingly, prepared to accept the mark subject to certain conditions. These were that the application was to be associated with TM Nos. 1466/70, B583/88, B1531/89, 806/97, 6066/94, 6067/94, 9010/96, B10028/96, 807/97, 5984/97, 5986/97, B813/97, B4912/97, B5983/97, B6862/97, B10601/97, 44/98, B45/98, 9009/96 and Pending Application Nos. 11319/96, 16241/97, 11320/96, 16239/97, 16242/97, 16243/97, 2475/98, 2651/93, 1707/97 and 2178/97.

Secondly, that the specifications were to be edited to cover:

"Banking and financial services; financial brokerage; capital investments; credit services and credit card services; brokerage and investment services relating to stocks and shares; money exchange services; foreign exchange transaction services provided on-line from a computer database; financing of loans services; financial evaluations, fiscal assessments and evaluations; collection of financial data; provision of financial guarantees; insurance; life assurance; provision of loans against securities; agency services relating to the buying and selling of bills of exchange, bonds and subordinated loans on behalf of others; agency services relating to the buying and selling of foreign currencies on behalf of others; lease-purchase financing; safety deposit services; savings bank and deposit taking services; merchant banking and issuing and redemption of travellers' cheque services; savings account services; all included in Class 36."

Thirdly, that the application be transferred to Part B of the Register.

4. Rule 19(1B) provides that if the applicant objects to such conditions, amendments, disclaimers, modifications or limitations he shall within 6 months from the date of receipt of the notice file an application with the Registrar for a hearing, or file his

considered objections in writing.

5. Rule 20(3) provides that where the applicant does not object to every condition, amendment, disclaimer or limitation sent to him under Rule 19(1A), the Registrar may decline to issue a statement [as required by Rule 20(2)] until the applicant has altered his application in accordance with those to which he does not object.

6. On 28 August 1998, the applicant wrote to the Registrar objecting to the condition that the application be transferred to Part B of the Register, but accepted the other two conditions. Pursuant to Rule 20(3), a Form TM-No. 33 was filed amending the specification to that required by the Registrar.

7. The said letter of 28 August 1998 amounted to a considered objection within the meaning of Rule 19(1B). What the Rules contemplate should happen then is that, pursuant to Rule 20(1), after considering the considered objection, the Registrar shall send his decision to the applicant in writing.

8. By letter dated 8 March 1999, the Registrar responded to the considered objection by maintaining the condition to transfer the application to Part B. This letter amounted to a decision within the meaning of Rule 20(1).

9. Rule 20(2) provides that if the applicant objects to the decision he may within 3 months from the date of receipt of the decision, by filing Form TM-No.5, require the Registrar to state in writing the grounds for his decision and the materials used by him in arriving at it.

10. The applicant filed further written submissions by letter dated 7 April 1999 arguing that the mark should have been accepted in Part A. Such further submissions are not contemplated by the Rules, so I shall hereafter refer to them as informal considered objections.

11. On 12 April 1999 the applicant applied to extend the time to keep the application pending. An extension was granted to 15 June 1999.

12. The Registrar, by letter dated 17 May 1999, responded to the applicant's informal considered objections of 7 April 1999 and maintained his requirement to transfer the application to Part B. The applicant was reminded of the time limit of 15 June 1999 to effect the transfer to Part B of the Register.

13. On 25 May 1999 the applicant applied further to extend the time that the application was kept pending. An extension was granted to 15 September 1999. In the same letter the applicant sought an informal discussion to discuss, with a legal officer of the Registry, the objection taken by the Registrar to Part A registration.

14. The informal discussion procedure was introduced by the Registrar to resolve, if possible, stalemates arising between the examiner of the application and the applicant's agent, by introducing a fresh mind to the dispute.

15. The informal discussion was held on 29 June 1999. The Registrar maintained the objection to Part A registrability. By letter dated 9 July 1999, the Registrar confirmed the decision communicated to the applicant's agent at the informal discussion.

16. On 27 August 1999 the applicant filed further written submissions on the Registrar's approach to the question of registrability in Part A. Form TM-No. 5, as referred to in paragraph 8 hereof, was enclosed with the letter.

17. The applicant appears to have taken the view that the Registrar's letters of 17 May 1999 and 9 July 1999 also amount to decisions pursuant to Rule 20(2), for in the appropriate box the applicant refers to the dates of the Registrar's decisions, for which a statement of grounds is requested, as being 30 June 1998 (the original examination report); 8 March 1999 (the Rule 20(2) decision); 17 May 1999 (the courtesy response) and 9 July 1999 (the written confirmation of the decision reached in the informal discussion).

18. I have given careful consideration to the matter and have, with some reservations, reached the conclusion that the statement of grounds of decision should cover all submissions entertained by the Registrar.

#### *The Examination Report*

19. The Registrar's examiner dealt with the application for Part A registration thus:

"I regret to inform you that the mark appears to be open to the following objections:-

The mark "CITIBUSINESS" is a direct combination of the words "CITY" and

"BUSINESS". The former is phonetically close to "CITY" which is indistinctive for registration. The latter is totally indistinctive as it is commonly used in the course of trade. (Section 9(1)(e))

Therefore the mark is not inherently adapted to distinguish your/the applicant's goods/services and unacceptable for Registration in Part A of the Register."

### *The Considered Objection*

20. The applicant, in its 28 August 1998 considered objection pursuant to Rule 19(1B), argues:

- The examiner's objections to Part A are pertinent, at best, only if the mark is divided into its constituent parts and the overall impression of the mark is totally ignored. In objecting to "CITI" (on the basis of its resemblance to 'city'), and also to "BUSINESS", the examiner has failed to consider the mark as a whole.
- "CITIBUSINESS" cannot be found in a dictionary and is not required by other traders to distinguish their goods and services from the types specified by the applicant.
- "CITIBUSINESS" is not a common or natural term for services in Class 36 (or any other class) and no one could discern the nature of the applicant's services simply by considering the mark in isolation. The mark has no direct reference to the applicant's services and is adapted to distinguish those services.
- The rejection is not consistent with previous decisions of the Registrar as "CITIBANK"; "CITI PREFERRED"; "CITIPHONE"; "CITIPLUS"; "CITIGOLD" and "CITINEWS" were all accepted in Part A.

### *Decision pursuant to Rule 20(1)*

21. The Registrar's decision pursuant to Rule 20(1) read, in part:

"... I still consider the mark is only apt for Part B registration. The mark starts with

"CITI" which is phonetically close to "city". It is a descriptive and indistinct word that the services are provided for people in cities ... both the words "CITI" and "BUSINESS" are indistinctive for registration. The combination of the mark has already been taken into account. However it is not unusual enough for a Part A registration. The quoted examples are all registered by way of use. For your information "CITYPAY", "CITITOUCH", "CITICURRENCIES" are all registered in Part B only."

#### *The Second (Informal) Considered Objection*

- The agent pointed out that it was the agent of record in relation to seven applications involving the prefix "CITI" mainly in Class 36. The agent wished to see a consistent approach adopted by the Registrar in respect of these.
- The applicant has a significant number of registrations for "CITI" prefixed marks in Class 36. Some of those marks are registrations secured in Part A upon filing evidence of use. The fact that the mark has been accepted in Part A on the basis of use and that there are such a significant number of registrations bearing the prefix "CITI" makes it clear that the applicant has acquired unique rights in relation to marks which bear the prefix "CITI". It features in the corporate name of the applicant and the applicant has quite clearly developed a 'family' of marks which are all prefixed "CITI".
- The rights and equities acquired by the applicant in their "CITI" prefixed marks should be of benefit to all the seven applications. The mark was an appropriate one to advertise before acceptance.

#### *The Registrar's response*

- "[The] request for acceptance of the mark under Part A under section 14(b) is not acceptable. The applicants have not acquired, through use, unique rights in the word "CITI". They just acquired unique rights in words prefixed with "CITI", for example, "CITIBANK", "CITIPHONE" etc. They are the words "CITIBANK" and "CITIPHONE" as a whole that are considered factually distinctive, and not merely the prefix "CITI". Therefore I cannot agree with you that the applicants can extend equity from the word "CITI" alone."

*The Registrar's written confirmation of the decision reached at the informal discussion.*

"As regards the mark "CITIBUSINESS", Part B has to be maintained. This is because "CITIBUSINESS" is simply a combination of two indistinctive words "CITI" (phonetically indistinguishable from "CITY") and "BUSINESS". I do not consider that there is any unusualness about the combination. The mark is descriptive and indistinctive of the business services provided for people in cities."

*Consolidated Statement of Grounds of Decision*

22. Section 9 is a restrictive provision. Registration in Part A can only be achieved if the mark applied for contains or consists of at least one of the essential particulars listed in paragraphs (1)(a)-(e) inclusive.

23. The mark is not the name of a company, individual, or firm, represented in a special or particular manner within the meaning of section 9(1)(a) of the Ordinance; nor is it the signature of the applicant for registration or of some predecessor in his business within the meaning of section 9(1)(b) of the Ordinance. It has not been suggested that "CITIBUSINESS" is an invented word within the meaning of section 9(1)(c) of the Ordinance. It clearly is not. Obviously misspelt English words do not constitute invented words. See — In re "*Uneeda*" Trade Mark (*Natural Biscuit Coy.'s Application* [1902] 1 Ch.783 (Court of Appeal)) where "*Uneeda*", being a mere misspelt combination of the English words "you need a" was held not to be an invented word. Furthermore, an obvious combination of two English words do not amount to an invented word even though the combination may not have been used before — See the dictum of Lord Herschell in *Eastman Photographic Materials Co. Ltd.* [1898] 15 R.P.C. 476 (the "*Solio*" case) at page 485 lines 35-37.

24. I turn to the question whether the mark satisfies the requirements of section 9(1)(d) of the Ordinance as "a word or words having no direct reference to the character or quality of the goods or services, as the case may be ...".

25. The applicant argues that the Registrar erred in splitting the mark into its constituent parts and thereby failed to consider the mark as a whole. A similar argument was raised in the "*Scotchlite*" case (*Minnesota Mining & Manufacturing Coy.'s Application* 65 R.P.C. 229) where it was argued that "It was wrong to divide the word "*Scotchlite*" into its constituent parts of "*Scotch*" and "*lite*" and then treat it for all purposes as consisting of

the two words "Scotch" and "light" on the ground that "lite" was a mere misspelling of the latter."

To that submission Jenkins J. said at p.234:

"I cannot say I think the Hearing Officer was wrong in applying Par.(d) on the footing that the mark "Scotchlite" not being an invented word must be treated as if it consisted of the two words "Scotch" and "light". I think this accords with the decision in the "*Uneda*" case in which it was held not only that the mark "*Uneda*" was not an invented word, but that as equivalent to the three words "you need a" it had reference to the character or quality of the goods. It certainly accords with the phonetics of the case. As regards the effect of the mark on a person reading it, I think it is a perfectly legitimate inference that he would construe "lite" as a mere misspelling of "light", and see in the mark no more or less than the two words "Scotch" and "light" written without a space between them and conveying the same meaning as if written separately.

Moreover, whatever may be said as to the meaning the mark would convey to a person seeing it in writing without having first heard it by word of mouth, I think it is at all events a perfectly legitimate inference that a person whose first introduction to the Company's materials had consisted of an oral reference to "Scotchlite reflecting (or reflective) material" and who had understood this as meaning "Scotch light reflecting (or reflective) material", that is, light reflecting (or reflective ) material of Scottish origin, or made in Scotland (which is exactly what the spoken words according to their ordinary meaning would tell him), would find nothing in the mark, when he saw it in writing, to disabuse him of the impression made by oral communication."

26. There is nothing in the facts of the instant application which would distinguish it from the "*Scotchlite*" case and would suggest that the Registrar fell into error by regarding "CITIBUSINESS" as the equivalent of "City Business" whether the word is first encountered orally or first seen in its written form.

27. Applying the dicta in '*Scotchlite*', "city business" is a particularly apt and succinct way to directly convey the character of the services offered by the applicant. Reading through the list of services intended to be covered by the registration all are services adapted for the business needs of a city. This is the natural meaning of the words and requires no tortuous "search for meaning", something which was criticised by the High Court of Australia in *Mark Foy's Limited v Davies Coop and Company Limited* [1956] 95

C.L.R. 190.

28. Even if I were wrong in the application of the correct legal principles to the question of the mark having no direct reference to the character or quality of the services, nevertheless, before a word or words can be accepted in Part A, they must not only qualify under paragraph (d), but they must also be distinctive. This principle is founded on the decision in *Fanfold Limited's Application* [1928] 45 R.P.C. 325, approved as recently as last year by the Court of Appeal in *Elvis Presley Trade Marks* [1999] R.P.C. 567. The principle was also succinctly stated in the "*Scotchlite*" case at page 232.

"So far as registrability under Section 9 was concerned, the questions for the Registrar were: (i) Whether the mark "Scotchlite" considered in relation to the goods in respect of which registration was sought (that is, "Non-metallic material in sheet form embedded with light – reflective substances") fell within any of the descriptions contained in Pars. (a), (b), (c) and (d) of section 9(1)? and if so; (ii) whether considered in relation to those goods it was a distinctive mark?"

If the Question to (i) was in the negative, Question (ii) did not arise, because having regard to the fact that there had been no user of the mark in the United Kingdom down to the date of the application no evidence of its distinctiveness was adduced, and accordingly it could not qualify for registration under section 9(1)(e). If the answer to Question (i) was in the affirmative, the Registrar had still to be satisfied before accepting the mark for registration that an affirmative answer should also be given to Question (ii)."

29. And later on the same page:

"As I have already mentioned, the absence of evidence of distinctiveness of the mark precludes it from being registrable under Par. (e) if it fails to qualify under Pars. (c) or (d). But Par. (e) is relevant as showing by its opening words 'any other distinctive mark' that the mark even if it does fall within paragraphs (c) or (d) must, in order to be registrable, still satisfy the overriding requirement that it should be a distinctive mark."

30. There is nothing distinctive about the word "city" or "business" or of the words in combination. The applicant in fact argues that "CITIBUSINESS" has been adapted to distinguish its services. By that I understand the applicant to be referring to the "CITI" prefix of this mark. If a word is directly descriptive in its correct spelling, its

phonetic equivalent will also be unregistrable — See *Electrix Ltd.'s Application* [1959] R.P.C. 283 at 286 (H.L.) 7The application does not succeed under section 9(1)(d).

31. Finally, paragraph 9(1)(e) of the Ordinance provides that if the mark is a name, signature or word not qualifying for registration under paragraphs (a) to (d) it shall not be registrable except upon evidence of its distinctiveness. The mark is a word which I have found not to fall within the provisions of section 9(1)(a)-(d). Without evidence of its distinctiveness, it must also fail under paragraph (e).

32. The applicant argued that no other trader would require the word to distinguish his services from that of the applicant.

33. This is pure speculation and ignores the fact that the full test is whether other traders are likely in the ordinary course of their business and without improper motive, to desire to use the same mark, *or some mark nearly resembling it, upon or in connection* with their own goods (Lord Parker in *Registrar of Trade Marks v W & G Du Cros Ltd.* [1913] AC 624 at 634-5). It would be unduly restrictive to other traders to be precluded from using, in juxtaposition to each other, the words, "city business" in advertising slogans or other promotional material.

34. The fact that "CITIBUSINESS" cannot be found in any dictionary does not advance the considered objection. I daresay none of the portmanteau words, which in the decided cases have been found unregistrable, would be found in any dictionary.

35. The next group of submissions deals with consistency of approach in "CITI" prefixed applications. The first considered objection referred to "CITIBANK"; "CITI PREFERRED"; "CITIPHONE"; "CITIPLUS"; "CITIGOLD" and "CITINEWS". I could not find a mark "CITI PREFERRED" registered in the Hong Kong Registry. Perhaps the applicant was referring to "CITIBANK PREFERRED". All of these mark were accepted on evidence of use, not on a *prima facie* level. The applicant accepts this, for in the informal considered objection the argument is refined to saying that so many "CITI" registrations must equate with unique rights in relation to marks which bear the prefix "CITI".

36. This argument overlooks the fact that the applicant is not the only one who has registered marks prefixed with "CITI". On the Register there are "CITIZEN", registered in the name of CITIZEN TOKEI K.K. of Japan; "CITINET" by Hong Kong Telephone; "CITITACS" by Hutchinson Whampoa Enterprises Ltd.; "CITIPAGE", registered

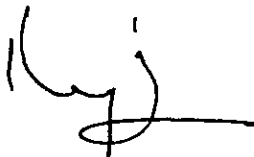
in the name of WOL Communications Ltd.; "CITICOM" in the name of Yupiteru Kogyo K.K.; "CITIPOWER" in the name of NG FU KEUNG; "CiTiCOMiCS" in the name of Citicomics Ltd.; "CITISTORE" in the name of Puretech Investment Ltd.; "CITISONIC" in the name of Citi Sound Electronic Ltd. and the marks of CITICORP.

37. Section 14 deals with advertising an accepted mark. There is provision for advertising before the mark is accepted for registration. This procedure is used rarely and generally in borderline cases. Section 14(b) provides that in exceptional cases where it would appear to be expedient to the Registrar, this procedure may be followed. One of the situations that has been regarded as expedient under this subsection is where a similar mark of the applicant, generally a house mark, has been registered in respect of the same goods, and the subsequent mark, which would otherwise be objectionable, may have equity extended to it and advertised before acceptance, to test whether another party opposes registration.

38. As can be seen from the list of different proprietors of "CITI" prefixed marks, there is no monopoly in the prefix which any proprietor could claim. This is not a situation to which the exceptional procedure in section 14(b) would be appropriate.

39. I have a degree of sympathy with the applicant when some marks are accepted in Part A *prima facie*, others only upon use, and still others refused Part A registration. Consistency is an ideal to which all examiners strive, but as with sentencing in the criminal courts, an ideal not always attained. I am asked to provide a statement of grounds for the decision made with respect to this mark. This I have done and it would exceed my remit to comment upon the decisions made in the other cases cited.

40. In arriving at my decision I have considered all the written submissions made by the applicant, the statutory provisions the examiner's trade mark search and the authorities cited herein.

  
( Kestutis Stasys KRIPAS )  
p. Registrar of Trade Marks  
22 January 2000