

Trade Mark No. 2475 of 1998

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

AND

IN THE MATTER of application no. 2475 of  
1998 by Citibank, N.A. of U.S.A. to register  
the trade mark "CITIFUND" 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 27 February 1998, Citibank, N.A. of USA applied to register in Part A of the Register, the mark "CITIFUND" 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 and not a word that had no direct reference to the character or quality of the services within the meaning of Sections 9(1)(d) and (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, 16240/97, 16242/97, 16243/97, 3744/98, 3745/98, 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 91(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 23 September 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 23 September 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 4 January 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. On 10 March 1999 the applicant applied to extend the time to respond to the Registrar's letter of 4 January 1999. An extension was granted to 21 June 1999.

11. 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. The Registrar, by letter dated 30 July 1999, responded to the applicant's

informal considered objections of 7 April 1999 and maintained his requirement to transfer the application to Part B. An extension of time to 8 November 1999 to effect the transfer was provisionally approved subject to the filing of Form S.49. The latter was received on 20 August 1999.

12. Form TM-No. 5 was received by the Registry on 20 August 1999.

13. The applicant appears to have taken the view that the Registrar's letter of 30 July 1999 also amounted to a decision pursuant to Rule 20(2), for in the appropriate box, the applicant refers to the dates of the Registrar's decisions as being 14 September 1998 (the original examination report); 4 January 1999 (the Rule 20(2) decision); and 30 July 1999 (the courtesy response).

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

#### *The Examination Report*

15. 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:-

#### Section 9 (1)(d) and (e)

The mark is a combination of the words 'CITI' and 'FUND'. The former is close to the word 'CITY' which is indistinctive while the latter word has direct reference to the character of the services.

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*

16. The applicant, in its 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 "FUND", the examiner has failed to consider the mark as a whole.
- "CITIFUND" 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.
- "CITIFUND" 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.
- Marks prefixing "CITI" are clearly recognised as being marks which are distinctive of the services offered by the Applicant.

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

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

"... I still believe that the mark is only registrable in Part B of the Register on a prima facie basis. Obviously, the mark is a combination of the words "CITI" and "FUND". Although "CITIFUND" is not a dictionary word, it connotes that the services offered are for citizens and are related to fund management. The mark therefore is only inherently capable of distinguishing the applicant's services from similar services of others.

Your quoted examples of "CITI-" marks are noted. However, they are accepted on the basis of use only. For your information, I quote several Part B registrations of your clients bearing the prefix "CITI" like "CITIPAY", "CITITOUCH", "CITICURRENCIES" under Trade Marks Nos. B10028/96, B05983/97 and B06862/97 respectively."

#### *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*

"... I think that it is not appropriate to allow the mark for Registration in Part A of the Register based on Section 14 of the Trade Marks Ordinance. The applicants have not acquired, through use, unique rights in the word "CITI". They have only acquired unique rights in words prefixed with "CITI", for example, "CITIBANK", "CITIPHONE" etc. They are the words like "CITIBANK" and "CITIPHONE" as a whole that are considered factually distinctive."

### *Consolidated Statement of Grounds of Decision*

18. 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.

19. 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 'CITIFUND' 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.

20. I turn therefore 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 ....".

21. 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 '*Uneeda*' case in which it was held not only that the mark '*Uneeda*' 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."

22. 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 'CITIFUND' as the equivalent of 'City Fund' whether the word is first encountered orally or first seen in its written form.

23. Can the words be said to have no direct reference to the character of the services covered by the application? The word 'fund' has several common meanings. As a noun it can be "a reserve of money" or in the plural, a "pooled resource of money". As a transitive verb it can be "to provide with money". The applicant seeks to provide *inter alia*, 'banking services' and 'savings account services'. Money from customers is pooled by a bank and that pool comprises a reserve of money from which another, of the applicant's services, namely, 'provision of loans' will be provided. In modern terminology 'fund' can also mean an investment vehicle into which many people contribute small sums with a view to the investment of the whole by the fund manager. Among the services the applicant intends to provide are 'financial services', 'financial brokerage' and 'capital investments'.

24. The mark thus, in a particularly apt and succinct way directly conveys the nature of the services offered by the applicant to the inhabitants of a metropolis or city.

25. 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 paragraphs (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 be satisfied before accepting the mark for registration that an affirmative answer should also be given to Question (ii)."

26. 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 paragraph (e) if it fails to qualify under paragraphs (c) or (d). But paragraph (e) is relevant as showing by its opening words 'any other distinctive mark' that the mark even if it does fall within paragraphs 9(c) or (d) must, in order to be registrable, still satisfy the overriding requirement that it should be a distinctive mark."

27. There is nothing distinctive about the word "city" or "fund" or of the words in combination. The applicant in fact argues that "CITIFUND" 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.). The application does not succeed under Section 9(1)(d).

28. Finally, paragraph 9(1)(e) of the Ordinance provides that if the mark is a name, signature or word not qualifying for registration under paragraph (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).

29. The applicant further argues that no other trader would require the word to distinguish his services from that of the applicant. 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 preclude them from using, in juxtaposition to each other, the words "city and fund" in advertising slogans or other promotional material.

30. The fact that 'CITIFUND' 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.

31. 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 marks were accepted on evidence of use, not on a prima facie level. The applicant accepts this, for 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".

32. 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 Hutchison 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

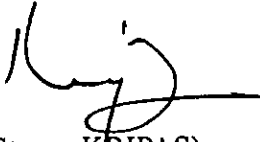
the name of Citi Sound Electronic Ltd. and the marks of CITICORP.

33. 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.

34. 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.

35. 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.

36. 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, the Concise Oxford and Collins English Dictionaries, and the authorities cited herein.

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