TRADE MARKS ORDINANCE (CAP. 559)
APPLICATION NO.: 200201615AA
APPLICANT : APPLE COMPUTER, INC.
CLASSES: 9, 40, 41 & 42
MARK: IPHOTO

STATEMENT OF REASONS FOR DECISION

Background

1. On 4 February 2002, Apple Computer, Inc ("the applicant") applied, pursuant to the provisions of the old Trade Marks Ordinance (Cap.43, repealed), to register the following mark:

   IPHOTO

   ("the subject mark") in classes 9, 40 and 42.

2. Upon the applicant's request, the three applications were subsequently converted under section 11 of Schedule 5 to the Trade Marks Ordinance (Cap. 559) ("the Ordinance") for examination under the provisions of the Ordinance and were accorded the filing date of 4 April 2003. The three applications were subsequently merged into a single application ("the subject application") upon the applicant's request.

3. Pursuant to the request to amend the subject application filed by the applicant on Form T5A dated 20 October 2005, amendments were made to the original specification of goods and services, which included the transfer of the services "digital image enlarging, electronic imaging, scanning, digitizing, alteration and/or retouching of digital images via a global computer network; digital imaging services via a global computer network" from class 40 to a newly added class 41. The applied-for specification of goods and services, as amended, is as follows:

   <u>Class 9</u>

   computer software.

   <u>Class 40</u>

   treatment of materials; and printing via a global computer network.

Class 41

digital image enlarging, electronic imaging, scanning, digitizing, alteration and/or retouching of digital images via a global computer network; digital imaging services via a global computer network.

Class 42

information services relating to computer services for the storing, enhancing and distribution of digital images provided on-line from a computer database or the Internet; computer services for the storing, enhancing, distributing, editing, manipulating of data.

4. At the examination stage, objections were raised under sections 11(1)(b) and (c) of the Ordinance on the basis that the subject mark consists exclusively of a sign which may serve, in trade or business, to designate the characteristics of the applied-for goods and services, and is devoid of any distinctive character.

5. A hearing on the registrability of the subject mark took place before me on 10 January 2006 at which Mr John Slater of Messrs Simmons & Simmons appeared on behalf of the applicant. In support of the subject application, a statutory declaration, also made by Mr John Slater on 6 January 2006 ("the Statutory Declaration") was filed by the applicant before the hearing for my consideration. I reserved my decision at the conclusion of the hearing.

The Trade Marks Ordinance

6. Section 11 of the Ordinance is in the following terms:

"(1) Subject to subsection (2), the following shall not be registered –

…

(b) trade marks which are devoid of any distinctive character;

(c) trade marks which consist exclusively of signs which may serve, in trade or business, to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or rendering of services, or other characteristics of goods or services; and

…

(2) A trade mark shall not be refused registration by virtue of subsection (1)(b), (c) or (d) if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.

…

(8) Where the grounds for the refusal of registration exist in respect of only some of the goods or services for which the application for registration is made, the refusal shall apply to those goods or services only."

Decision

7. The subject mark consists of the word "IPHOTO" in plain block capitals, and is sought to be registered in respect of computer software (class 9), printing and digital imaging services provided via a global computer network (classes 40 and 41), information services relating to computer services for the storing, enhancing and distribution of digital images provided on-line from a computer database or the Internet; computer services for the storing, enhancing, distributing, editing, manipulating of data (class 42), along with the service "treatment of materials" in class 40.

8. Mr Slater submits that the relevant consumers of the applied-for goods and services include the computer-literate, educated, English speaking public in Hong Kong. As the applied-for goods and services include computer software (class 9), printing, digital imaging, information services, etc provided on-line via a global computer network or the Internet and computer services (classes 40, 41, and 42), I consider that the relevant consumers of these goods and services should be computer users who would at least have some basic knowledge of the Internet.

9. At the examination stage, objections were raised under sections 11(1)(b) and (c) of the Ordinance on the basis that the mark will be perceived by customers as standing for "Internet Photo". Mr Slater strongly disagrees with the above and emphasizes that when considering the registrability of the subject mark, it must be considered as a whole rather than be dissected. He submits that since the letter "I" and the word "PHOTO" in the subject mark have not been conspicuously separated, for example by a space or a hyphen, etc, customers will read the subject mark as a single invented word, and will not dissect it into the word "I" and the letter "PHOTO". Mr Slater further refers me to the search result of the letter "I" at www.acronymfinder.com (reproduced at Exhibit "JHS-1" of the Statutory Declaration), and submits that the acronym "I" has numerous alternative meanings, the most common being "Incomplete", "Interest", "Italic" and "One". He submits that there is no ground or basis for assuming that customers would dissect the subject mark into the letter "I" and the word "Photo" and perceive the same as "Internet Photo". He emphasizes that the subject mark is a single invented word without any recognisable meaning in relation to the goods and services applied for in the subject application.

10. I have considered Mr Slater's submissions above, and agree that the registrability of the subject mark must be considered in its entirety. However, given that the word "PHOTO" is a common dictionary word, I consider that when customers come across the subject mark, they will naturally perceive it as a combination of the letter "I" and the word "PHOTO". I note that other than standing for "Internet", the letter "I" is also the acronym for other words, such as "Incomplete" and "Interest", etc. However, when the subject mark is used in relation to the applied-for goods and services which include computer software (class 9), printing, digital imaging, information services, etc provided on-line via a global computer network or the Internet (classes 40, 41, and 42), I consider that customers will immediately understand the letter "I" as denoting "Internet" and will be very likely to perceive the subject mark as standing for "Internet Photo". I must accordingly consider the whether the subject mark is objectionable under section 11(1)(b) or (c) of the Ordinance on this basis.

11. I shall deal with the objection under section 11(1)(c) first.

Section 11(1)(c) of the Ordinance

12. Section 11(1)(c) of the Ordinance precludes from registration marks consisting exclusively of signs which may serve, in trade or business, to designate the kind, quality, quantity, intended purpose, value, geographical origin, time of production of goods or rendering of services, or other characteristics of the goods or services in respect of which registration is sought.

13. Mr Slater refers me to paragraphs 24 and 25 of *Deutsche Post EURO EXPRESS Gmbh v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (Case T-334/03) ("the *EUROPREMIUM* case") in which the Court of First Instance of the European Communities states as follows:

> "The signs and indications referred to in Article 7(1)(c) of Regulation No. 40/94 [broadly similar to section 11(1)(c) of the Ordinance] are only those which may serve, in normal usage from the point of view of the target public, to designate, either directly or by reference to one of their essential characteristics, the goods or services in respect of which registration is sought… Consequently for a sign to fall within the scope of the prohibition in that provision, it must suggest a sufficiently direct and concrete link to the goods or services in question to enable the public concerned immediately, and without further thought, to perceive a description of the category of the goods and services in question or of one of their characteristics."

14. Mr Slater submits that the subject mark has no unequivocal meaning in relation to the applied-for goods and services, nor does it describe the essential function of the goods and services. He further submits that the subject mark does not describe the exact nature of the goods and services.

15. I note Mr Slater's reference to the *EUROPREMIUM* case. However, the *EUROPREMIUM* case is a decision of the Court of First Instance of the European Communities and must be read subject to and in light of the decisions of the European Court of Justice ("the ECJ") in *Wm. Wrigley Jr. Company v OHIM* (Case-191/01 P) ("the *DOUBLEMINT* case") and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (Case C-363/99) ("the *Postkantoor* case"). In these cases, the ECJ has clarified the approach to Article 7(1)(c) of Council Regulation on the Community Trade Mark 40/94 and Article 3(1)(c) of the First Council Directive 89/104/EEC respectively. These two Articles are effectively identical to each other and are broadly similar to section 11(1)(c) of the Ordinance. The relevant principles from these cases are as follows:

> "In order for OHIM to refuse to register a trade mark under Article 7(1)(c) of Regulation No 40/94, it is not necessary that the signs and indications composing the mark that are referred to in that article actually be in use at the time of the application for registration in a way that is descriptive of goods or services such as those in relation to which the application is filed, or of characteristics of those goods or services. It is sufficient, as the wording of that provisions itself indicates, that such signs and indications could be used for such purposes. A sign must therefore be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned.": the *DOUBLEMINT* case at paragraph 32.

> "For the purposes of determining whether Article 3(1)(c) of the Directive applies to such a mark, it is irrelevant whether or not there are synonyms capable of designating the same characteristics of the goods or services mentioned in the application for registration or that the characteristics of the goods or services which may be the subject of the description are commercially essential or merely ancillary.": the *Postkantoor* case at paragraph 104.

16. The above cases indicate that marks objectionable under section 11(1)(c) of the Ordinance do not have to be the normal way of describing the goods or services in question, nor is it necessary for the relevant characteristics of the goods and services to be commercially essential. It is also unnecessary that the mark tells customers the exact nature of the goods and services in question. It is sufficient if at least one of the possible meanings of the mark in question designates a characteristic of the goods or services concerned.

17. As mentioned above, I consider that the subject mark will likely be perceived by customers as standing for "Internet Photo". To my mind, when the subject mark is used in relation to the applied-for computer software (class 9), and printing, digital imaging, information and computer services (classes 40, 41 and 42) applied for in the subject application (i.e. all of the applied-for goods and services except the services "treatment of materials" in class 40), it will convey to customers the direct and immediate message that these goods and services enable or facilitate the uploading, printing, storing, editing and distributing, etc of digital photos on the Internet. The above is supported by the extracts from the example websites quoted in the Registry's letter of 7 December 2005 (now reproduced at the Annex to this Decision), showing

that the term "Internet Photo" is commonly used by traders and computer users to describe software or tools for posting, printing or processing digital photos on the Internet. As with the term "Internet Photo", I am of the view that customers will see the subject mark "IPHOTO" as a descriptive reference to the goods and services.

18. Mr Slater also draws my attention to paragraph 41 of *Campina Melkunie BV v Benelux-Merkenbureau* (Case-265/00) ("the *Biomild* case"), in which the ECJ states that:

> "…a mark consisting of a neologism composed of elements, each of which is descriptive of characteristics of the goods or services in respect of which registration is sought, is itself descriptive of those characteristics within the meaning of Article 3(1)(c) of the Directive, unless there is a perceptible difference between the neologism and the mere sum of its parts: that assumes that, because of the unusual nature of the combination in relation to the goods or services, the word creates an impression which is sufficiently far removed from that produced by the mere combination of meanings lent by the elements of which it is composed, with the result that the word is more than the sum of its parts."

19. Mr Slater submits that the subject mark "IPHOTO" is more than the mere sum of its parts "I" and "PHOTO". I have considered Mr Slater's submission, but as explained, I consider customers will perceive the subject mark, as a whole, as a descriptive reference to the goods and services. Nothing fanciful has emerged from the way the subject mark is combined, nor has its descriptive meaning been displaced. Mr Slater's submission does not assist in overcoming the objection under section 11(1)(c) of the Ordinance accordingly.

20. In view of my finding that the subject mark will be taken by customers as standing for "Internet Photo" and directly tells them that the applied-for computer software (class 9), and printing, digital imaging, information and computer services (classes 40, 41 and 42) are for the uploading, printing, storing, editing, distributing, etc of digital photos on the Internet, I find that the subject mark consists exclusively of a sign which may serve, in trade or business, to designate the kind, intended purpose and the characteristics of these goods and services. The objection under section 11(1)(c) of the Ordinance must be maintained in respect of these goods and services accordingly.

21. Notwithstanding the above, I do not consider the subject mark to be objectionable under section 11(1)(c) in respect of the service "treatment of materials" applied for in class 40. The service "treatment of materials" involves the processing of solid substances and has no relation to Internet photos. I do not consider that the subject mark designates a characteristic of the service "treatment of materials" and accordingly, the objection under section 11(1)(c) above does not apply to this particular service.

22. I turn to consider whether the subject mark is objectionable under section 11(1)(b) of the Ordinance, which operates as a separate and independent ground of objection under section 11(1)(c) of the Ordinance.

Section 11(1)(b)of the Ordinance

23. Section 11(1)(b) of the Ordinance precludes from registration signs which are devoid of any distinctive character.

24. In *British Sugar Plc v James Robertson and Sons Ltd* [1996] R.P.C. 281 at page 306, Mr Justice Jacob said:

> "What does *devoid of any distinctive character* mean? I think the phrase requires consideration of the mark on its own, assuming no use. Is it the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark?"

25. Mr Slater also refers me to *Nestle SA's Trade Mark Application (Have a Break)* [2004] F.S.R. 2, which states, at paragraph 23, that:

> "The distinctiveness to be considered is that which identifies a product as originating from a particular undertaking. Such distinctiveness is to be considered by reference to goods of the class for which registration is sought and consumers of those goods. In relation to the consumers of those goods the court is required to consider the presumed expectations of reasonably well informed, and circumspect consumers."

26. At the hearing, Mr Slater refers me to *SAT.1 SatellitenFernsehen GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (Case C-329/02 P) ("the *SAT2* case") and submits that the mere fact that each element of a mark, considered separately, is devoid of any distinctive character does not mean that their combination cannot present a distinctive character. I agree with Mr Slater. As explained above, when considering the registrability of the subject mark, I must consider it as a whole.

27. Mr Slater further relies on *Eurocool Logistik GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (Case T-34/00) ("the *Eurocool* case") and submits that a minimum degree of distinctiveness is sufficient to render inapplicable the grounds of refusal under section 11(1)(b) of the Ordinance. Additionally, Mr Slater says the mere fact that a mark alludes to certain features of the goods and services is not sufficient to justify a refusal under section 11(1)(b), unless it amounts to proof that such a sign, looked as a whole, would not enable the section of the public targeted to distinguish the applicant's goods and services from those of its competitiors. He further submits that for a trade mark to be registrable, it does not need to be a work of invention or to be founded on any element of originality or imagination but on its ability to distinguish goods or services on the market from goods or services of the same kind offered by competitors.

28. However, it appears from the quoted paragraphs in *British Sugar Plc v James Robertson and Sons Ltd* [1996] R.P.C. 281 and *Nestle SA's Trade Mark Application*

(Have a Break) [2004] F.S.R. 2 above, and also the *Eurocool* case itself that the test for distinctiveness depends ultimately on the ability of the mark in question to identify the trade origin of the goods and services in question, thus enabling customers to distinguish the applicant's goods and services from those of others.

29. Mr Slater submits that the subject mark is made up of an invented English word and is a combination of elements forming a memorable sign which is not incapable of distinguishing the origin of the goods and services in question from those of other undertakings. I am however unable to agree with Mr Slater's submissions. As explained, I consider that when customers see the subject mark in relation to the applied-for computer software (class 9), printing, digital imaging, information and computer services (classes 40, 41 and 42) (i.e. all of the applied-for goods and services excluding the services "treatment of materials" in class 40), they are very likely to perceive the subject mark as standing for "Internet Photo", which tells them that these goods and services are for the uploading, printing, storing, editing and distributing, etc of digital photos on the Internet. This, as explained, is supported by the websites shown at the Annex. To my mind, customers will merely perceive the subject mark as a descriptive designation, as opposed to an indication of the trade origin, which identifies the goods and services as originating from a particular undertaking. Without first being educated through use that the subject mark is a trade mark of these goods and services, I consider it unlikely that customers will perceive it as a badge of trade origin which identifies the goods and services as originating from a single undertaking, and thus distinguishing them from those of the other undertakings.

30. On the above basis, I conclude that the subject mark is devoid of any distinctive character in respect of applied-for computer software (class 9), printing, digital imaging, information and computer services (classes 40, 41 and 42), and is excluded from registration under section 11(1)(b) of the Ordinance in respect of these services as well. Having said that, as earlier explained, the service "treatment of materials" (class 40) has no relation to Internet photos, and I do not consider that the subject mark will be perceived by customers as a descriptive reference as opposed to an indication of trade origin of this service. As a result, I do not consider the subject mark to be devoid of any distinctive character in respect of the service "treatment of materials", and the objection under section 11(b) above does not apply to this particular service accordingly.

Section 11(2) of the Ordinance

31. The applicant has included at Exhibit "JHS-5" to the Statutory Declaration extracts taken from its own website. However the extracts, one bearing the copyright notice of year 2004 and the other the year 2006, are dated after the accorded filing date of the subject application and do not therefore constitute evidence of use of the subject mark for the purpose of section 11(2) of the Ordinance. No other evidence of use of the subject mark has been provided by the applicant. As no evidence of use satisfying the requirements laid down in section 11(2) of Ordinance has been provided, the objections under sections 11(1)(b) and 11(1)(c) of the Ordinance must be maintained.

Reference to other registered marks and overseas registrations

32. At the hearing, Mr Slater draws my attention to a number of registered marks all having the prefix "I" such as "IMOVIE", "ITUNES", "IWRITE" and "ILIFE", etc. All these marks are registered in the name of the applicant, and copies of the relevant registration certificates are shown at Exhibit "JHS-4" to the Statutory Declaration. Mr Slater submits that as with those registered marks, the subject mark should be considered distinctive and acceptable for registration as well. He emphasizes on the importance in giving consistent treatment to the all of the applicant's applications.

33. I have considered Mr Slater's submission above, but it is well-established that each case must be considered on its own merits and comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration (*British Sugar Plc v James Robertson & Sons Ltd* [1996] R.P.C. 281 at 305). Mr Slater's reference to the applicant's registered marks along with his submissions cannot accordingly assist the applicant in the subject application.

34. Mr Slater further draws my attention to the fact that the subject mark has been accepted as a Community Trade Mark in the European Communities (despite objections that were initially raised under Articles 7(1)(b) and 7(1)(c) of the CTM Regulations), and has been accepted for registration in Australia and the United States as well. In particular, in relation to the Community Trade Mark registrations, Mr Slater refers me to paragraph 3 of the *Biomild* case and submits that the reason for approximation of intellectual property laws is to remove disparities which may impede the free movement of goods and freedom to provide services, and to ensure that applicants can have their marks registered consistently in different jurisdictions. Mr Slater questions the basis for not following the European acceptance of the subject mark when the Registrar has consistently relied on the judgments of the European courts in his decisions. Copies of the registration particulars of the overseas registrations are shown at Exhibit "JHS-3" of the Statutory Declaration.

35. I have considered the overseas registrations in light of Mr Slater's submissions. However, national trade mark rights are territorially limited and granted independently of each other. The bare fact of registration in other jurisdictions is not sufficient to establish that a sign is eligible for registration here (*Automotive Network Exchange Trade Mark* [1998] R.P.C. 885 at 887). I must examine the registrability of the subject mark against the registration requirements laid down in the Ordinance and in decided cases, not simply on the bare fact of acceptances in other jurisdictions. As I have found valid reasons for refusing the subject application, I should not simply follow the acceptances of other overseas registries.

Conclusion

36. In this decision, I have carefully considered the Statutory Declaration, all documents filed, together with all submissions made by the applicant. For the reasons given above, I consider that the subject mark is precluded from registration by sections

11(1)(b) and (c) of the Ordinance in respect of the following goods and services ("the objectionable goods and services"):

Class 9

computer software.

Class 40

printing via a global computer network.

Class 41

digital image enlarging, electronic imaging, scanning, digitizing, alteration and/or retouching of digital images via a global computer network; digital imaging services via a global computer network.

Class 42

information services relating to computer services for the storing, enhancing and distribution of digital images provided on-line from a computer database or the Internet; computer services for the storing, enhancing, distributing, editing, manipulating of data.

37. The subject application is accordingly refused under section 42(4)(b) of the Ordinance in respect of the objectionable goods and services.

38. With regard to the service "treatment of materials" in class 40, I am satisfied that the requirements for registration are met for the reasons given in paragraphs 21 and 30 above. Pursuant to section 11(8) of the Ordinance, the refusal above does not apply to this particular service. The application for registration in respect of this particular service can proceed to publication provided that the applicant files, on or before **19 June 2006**, a request for amendment of the subject application on Form T5A to amend the specification by deleting the objectionable goods and services. If the applicant fails to do so on or before the above date, it shall be deemed to have abandoned the application in respect of this service.

Simon Chan
for Registrar of Trade Marks
22 May 2006

Annex

- http://www.gotfamiliesonline.com/pictures/album/free-internet-photo-album.html

  Free Internet Photo Album

  Everybody can create a **free internet photo album** instead of a traditional album or family journals. If you have a computer, a scanner, a digital camera and web connection, you can indulge in the sea of new prospects and opportunities in creating your personal picture gallery. To start with, consult your local web service and make arrangements for building your personal website. Everybody can create a **free internet photo album** instead of a traditional album or family journals.

- http://www.olympusamerica.com/e1/gallery.asp

  The E1 Pro Gallery is an **Internet photo gallery** that was opened after the unveiling of the E1 digital SLR camera.
  The aim of the site is to communicate the superb quality of a lens designed specifically for digital applications, through the work of world-renowned photographers.

- http://www.bitpipe.com/tlist/Internet-Photo-Services.html

  Internet Photo Services -- 1 Product
  Services allow users to post and/or print digital images.
  Also called: Image Processing Services and Photo Services

- http://multialbum.com/e_main.htm

  SemtlAlbum - Can make multimedia digital photo album CD title and **internet photo album**.

  Multimedia digital album and a making tool, you can record your voice and your favorite music to each photo and enjoy hearing music while you are seeing your photo album.