

## TRADE MARKS ORDINANCE (CAP. 559)

APPLICATION NO.: 300304848

MARK:



APPLICANT: THOMSON


CLASSES: 9, 38

---

### STATEMENT OF REASONS FOR DECISION

#### Background

1. On 21 October 2004, Thomson (“the applicant”) applied, pursuant to the provisions of the Trade Marks Ordinance (Cap. 559) (“the Ordinance”), to

register the mark  (“the subject mark”) in relation to the following goods and services:

#### Class 9

apparatus for recording, transmission, reproduction of sound and/or images; magnetic recording media; audio and video disc players; audio and video discs recorders, compact discs; digital video discs, audio and/or video cassettes, radios, audio and/or video receivers, audio and video cassettes players/recorders; encoders; decoders, tv sets, telephony systems; cell phones; personal digital assistant; integrated circuits; computer material and telecommunications softwares.

#### Class 38

telecommunication services, namely treatment, recording, broadcasting, transmission and distribution of sound and/or images and/or data via satellite, cables or antennas; telecommunication services, namely data, news and information compilation in a databank.

2. At the examination stage, objection was raised under section 11(1)(b) of the Ordinance in respect of the goods and services in class 9 and 38 on the basis that the subject mark consists of a sign that is devoid of any distinctive character in respect of those goods and services.
3. On 20 December 2005, the request for a hearing on the registrability of the subject mark made by Messrs Wilkinson & Grist for the applicant was

received by the Registry.

4. The hearing took place before me on 29 March 2006 at which Ms. Venus Lee of Messrs Wilkinson & Grist appeared for the applicant. The applicant did not file evidence of use of the subject mark and I therefore have only the *prima facie* case to consider. The hearing was adjourned until 31 March 2006 for Wilkinson & Grist to file further documents in support of the subject application and I reserved my decision.

### **The Ordinance**

5. The absolute grounds for refusal of an application for registration are contained in section 11 of the Ordinance. Section 11(1) reads as follows:

“(1) Subject to subsection (2), the following shall not be registered-

- (a) .....
- (b) trade marks which are devoid of any distinctive character;
- (c) .....
- (d) .....

### **Decision**

#### *Section 11(1)(b) of the Ordinance*

6. In this application I have to consider whether the subject mark is devoid of any distinctive character under section 11(1)(b) of the Ordinance.
7. Section 11(1)(b) of the Ordinance excludes from registration marks which are devoid of any distinctive character.
8. The approach of assessing distinctiveness was discussed in *British Sugar Plc v James Robertson and Sons Ltd* [1996] R.P.C. 281 (“*British Sugar*”) where Jacob J said, on page 306 :

“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?”

9. The test of registrability under the equivalent of section 11(1)(b) was further discussed in *Nestlé SA's Trade Mark Application (Have a Break)* [2004] F.S.R. 2 (at paragraph 23):

“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.”

10. Applying the above legal principles, I must assess the distinctiveness of the subject mark in relation to the goods and services for which the applicant seeks registration. I must also have regard to the perception of an average consumer who is reasonably well-informed and reasonably observant and circumspect.
11. In the instant case, the goods and services applied for are mainly those related to sound recording and transmission in classes 9 and 38 such as audio and video discs recorders, television sets, telecommunication services and software. Customers of the goods and services in classes 9 and 38 include the general public who are seeking apparatus or services in relation to sound recording or transmission. It is likely that the subject mark will be used in advertisements, promotional materials or websites for promoting the goods and services of the applicant. For the goods in class 9, the subject mark may also be applied to the products themselves or their packaging.
12. The subject mark consists of the words “mp3” and “SURROUND”. “MP3” refers to an “*MPEG [Motion Pictures Experts Group] standard used especially for digitally transmitting music over the Internet*” or “*a file containing a song or other audio data that is encoded using this standard*” (The American Heritage Dictionary of the English Language: Fourth Edition, 2000, <http://www.bartleby.com>). The word “SURROUND” is a common English word meaning “*to encircle or enclose or cause to be encircled or enclosed*” (Collins English Dictionary, Third Edition). Surround sound, “*a system of sound recording and reproduction that uses three or more independent recording channels and loudspeakers in order to give the impression that the listener is surrounded by the sound sources*” (Collins English Dictionary, Third Edition), is a feature of goods and services of sound recording/transmission.

13. Given the meaning of “mp3” and surround sound, the subject mark “mp3 SURROUND”, when viewed as a whole and in the context of the applicant’s goods and services, gives consumers the overall impression that the goods or services relate to a type of MP3 music/audio file that deliver surround sound. This message conveyed by the subject mark is specific and the combination of the words “mp3” and “SURROUND” is no more than the mere sum of its parts. I therefore do not find that the consumers are likely to perceive the subject mark as a guarantee of trade origin of such goods and services.
14. Ms. Lee submitted that the subject mark as a whole is highly stylized as the letter “m” in the subject mark has a unique design (for example, the design may be seen as the letter “G”, letters “nj” or “Cm”) and that the combination of the words “mp3” and “surround” is distinctive and not commonly used by other traders.
15. I agree with Ms. Lee that in assessing the distinctiveness of a mark, it must be considered in its entirety. The average consumer normally perceives a mark as a whole and does not proceed to analyse its details.
16. However, the impression of customers must also be assessed in the context of the goods and services as mentioned above. Even if the subject mark in the form applied for is not used by other traders, it does not mean that the mark has a distinctive character as the reference of the subject mark to MP3 files and surround sound is immediate. As to the representation of the subject mark, I find the first letter is simply the letter “m” with an indistinctive flourish. The subject mark is set against a dark background that follows the outline of the words so that the words are made more conspicuous and prominent. The words “mp3 SURROUND” dominate and I am, therefore, not satisfied that the outline background of the subject mark adds any distinctive character to it.
17. Ms. Lee further submitted that “mp3” is only a format for storing digital audio data and could not be considered as descriptive of the applicant’s goods and services such as “apparatus for recording, transmission, reproduction of images; video disc players; video discs recorders; digital video discs; treatment, recording, broadcasting, transmission and distribution of images”.
18. In relation to these goods and services relating to videos, I note that image and sound recordings are often used together. For example, a video recorder may use MP3 sound files in storing the audio of films and/or the audio recordings of videos involved have surround sound effect. I therefore do not consider that the words “mp3 surround” or “mp3” are of any distinctive character in respect of goods and services relating to videos.

19. Ms. Lee submitted that “mp3 SURROUND” was the name of the technology that had been jointly invented by the applicant, Fraunhofer-Institut Fuer Integrierte Schaltungen IIS (“the Institute”) and Agere Systems. She submitted that the applicant was the exclusive licensing representative of “mp3 SURROUND” patents and software and “mp3 SURROUND” was specially coined and adopted by the applicant. Ms. Lee found support from the website <http://www.mp3licensing.com> and <http://www.iis.fraunhofer.de> of the Institute. In addition, Ms. Lee relied on the patent and software licensing agreement under which the applicant’s wholly owned subsidiary was granted by the Institute the exclusive licence to grant to third parties non-exclusive sub-licences to use the patented technology of MP3 Surround. She was of the view that as the applicant controlled the use of the MP3 Surround patents and software, the applicant also controlled the use of the subject mark and the subject mark should therefore be registrable to protect the legitimate interests of the applicant. Ms. Lee further relied on a trade mark license agreement under which the applicant granted its wholly owned subsidiary a non-exclusive license to use the subject mark. Ms. Lee submitted that the trademark licence agreement confirmed the applicant’s ownership of the “mp3” mark and its variants including the subject mark.
  
20. I am not persuaded by Ms. Lee’s submissions. For reasons discussed above, consumers are likely to perceive the subject mark in respect of the applied for goods and services as denoting MP3 sound files and surround sound. They are not likely to perceive it as a guarantee of trade origin unless they are educated to do so through the use of the subject mark as a trade mark. The copies of website and licence agreements were not submitted in the form of statutory declarations or affidavits so I do not consider such materials as evidence of use filed in respect of this application. I also note that the patents and software and trade mark licence agreements were received after the adjourned date of hearing. However, even if those documents were filed in time and in the form of statutory declarations or affidavits, I would not be prepared to accept the subject mark based on those materials. The websites and patent and software agreements merely indicate the applicant’s alleged use of the patent and software as a licensor which is not per se equivalent to the use of the subject mark. In respect of the trade mark license agreement, even if the ownership of the subject mark by the applicant is established, it does not necessarily mean that the public is likely to perceive the subject mark immediately as indicating the applicant as the trade origin in the light of the applied for goods and services. In addition, the trade mark licence agreement does not illustrate how the consumers are educated about the use of the subject mark as a trade mark. The grant of a non-exclusive licence is not conclusive evidence that consumers will recognise the subject mark as indicating only the

applicant as the source of the goods and services. As such, I am not satisfied that the websites, patent and software licence agreement and trade mark licence agreement provided are of assistance in overcoming the objection under section 11(1)(b) of the Ordinance.

21. Based on the reasons stated above, I am of the view that the relevant consumers are unlikely to perceive the subject mark as an indication of trade origin of all of the applied for goods and services, and the subject mark is therefore devoid of any distinctive character in respect of the goods and services applied for. The subject mark is thus precluded from registration under section 11(1)(b) of the Ordinance.

#### *Others*

22. Ms. Lee submitted that the subject mark was allowed for registration in other jurisdictions such as Argentina, Canada, India and Europe (as Community Trade Mark) and was granted registrations in Chile, France, Mexico and New Zealand. It must be noted that national trade mark rights are territorially limited and granted independently of each other. The bare fact of registration in other countries is not sufficient to establish that a sign is eligible for registration here, where there is valid ground for refusal under the Ordinance. Despite the foreign acceptances of the subject mark, I am not convinced that the subject mark should be accepted for registration in light of the reasons for objection stated above.

#### **Conclusion**

23. In this decision I have considered all the documents filed by the applicant and all the arguments submitted in relation to this application. On a *prima facie* basis, the subject mark was found to be devoid of any distinctive character under section 11(1)(b) of the Ordinance in respect of the goods and services applied for. The subject application is accordingly refused under section 42(4)(b) of the Ordinance.

Sarah Li  
for Registrar of Trade Marks  
21 September 2006