

TRADE MARKS ORDINANCE (CAP. 559)

APPLICATION NO.: 300450279



MARK:

APPLICANT:


EMVCO, LLC

CLASSES:

9 and 36

STATEMENT OF REASONS FOR DECISION

Background

1. On 2 July 2005, EMVCO, LLC (“the applicant”) applied to register the mark  (“the subject mark”) under the Trade Marks Ordinance (Cap. 559) (“the Ordinance”) in relation to the following goods and services in classes 9 and 36:

Class 9: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin operated apparatus; cash registers; calculating machines, data processing equipment and computers; fire-extinguishing apparatus; computer hardware; computer hardware in the nature of smart cards containing proximity payment devices known as transponders; card readers for magnetically encoded cards, radio frequency identification devices and cards containing an integrated circuit chip; telecommunications equipment, namely, transponders; computer hardware and computer software for use in the financial services, banking, payment and telecommunication industries; computer security software; computer operating systems for financial transactions on computer networks.

Class 36: Insurance; financial affairs; monetary affairs; real estate affairs; financial services, namely banking services, credit and debit card services; prepaid card

services offered through cards with stored value; bill payment services; point of transaction services, payment and transaction authentication by means of radio frequency identification devices; electronic payment processing services; electronic currency transfer services; providing financial information, financial management and financial records management services; automated teller machine services; advice relating to all the aforesaid services.

2. At the examination stage, objection was raised under section 11(1)(b) of the Ordinance in respect of the applied-for goods and services 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 19 June 2006, the request for a hearing on the registrability of the subject mark made by Messrs So, Keung Yip & Sin for the applicant was received by the Registry.
4. The hearing took place before me on 25 October 2006 at which Mr. Barry Yen of Messrs So, Keung Yip and Sin 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. I reserved my decision at the conclusion of the hearing.

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; ...”

Decision

Section 11(1)(b) of the Ordinance

6. Section 11(1)(b) of the Ordinance excludes from registration marks which are devoid of any distinctive character. The approach of assessing distinctiveness was discussed in *British Sugar Plc v James Robertson and Sons Ltd* [1996] R.P.C. 281 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?”

7. The European Court of Justice (“ECJ”) stated in *Linde AG, Winward Industries Inc., Rado Uhren AG* [2003] E.T.M.R. 78 (Joined Cases C-53/01 to C-55/01) (at paragraphs 40 and 41) that

“40. For a mark to possess distinctive character within the meaning of [section 11(1)(b)] it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from products of other undertakings (see *Philips*, para. [35]).


41. In addition, a trade mark's distinctiveness must be assessed by reference to, first, the goods or services in respect of which registration is sought and, second, the perception of the relevant persons, namely the consumers of the goods or services. According to the Court's case-law, that means the presumed expectations of an average consumer of the category of goods or services in question, who is reasonably well informed and reasonably observant and circumspect”

8. 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 in classes 9 and 36. I must also have regard to how the subject mark is likely to be perceived by a consumer who is reasonably well-informed and reasonably observant and circumspect. On this assessment I must assume fair and normal use of the subject mark in relation to the provision of the goods and services applied for.
9. In the present case, the application covers goods and services for or related to financial transactions or security control such as computer hardware in the nature of smart cards containing proximity payment devices known as transponders, card readers for magnetically encoded cards, radio-frequency identification devices and cards containing an integrated circuit chip and computer hardware and software for use in the financial services, banking, payment and telecommunication industries in class 9 and financial services, banking services, credit and debit card services, prepaid card services offered through cards with stored value, payment and transaction authentication by means of radio frequency identification devices, and electronic payment processing services in class 36.
10. The average customers of the applicant are clients seeking such goods and services including the general public and professionals. They are likely to come across the subject mark in the advertisements, promotional materials or

websites for promoting the goods and services of the applicant or on the goods themselves and their packaging.

11. The subject mark is a device mark of a hand holding a tag or card in front of a surface. In the context of the applied-for goods and services that are largely for or related to payment and security control, the subject mark as a whole conveys the message of presenting a tag/card to a reader device surface for payment or access control. Tag/card reading facilities are used for facilitating payment/transaction or security control in relation to various goods and services including those of the applicant such as payment devices and services. The average consumers' first impression of the subject mark is likely to be an indication or symbol of the availability of a tag/card reading facility or an illustration of how to use such facility. For example, when the subject mark is placed on the surface of card readers, radio frequency identification devices or other devices for financial services, the average consumers are likely to construe it as meaning that payment or payment authentication can be achieved by waving a tag or card in front of such devices where the subject mark is shown. If the subject mark is applied on a security device at the entrance of a building or a room, the subject mark will also be interpreted as an indication of where to wave a tag/card in order to gain access through the entrance. The subject mark is unlikely to be perceived by the average consumers as a badge of origin for the applicant's goods and services and it is therefore devoid of any distinctive character.
12. Mr. Yen quoted the case *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117 (Case C39-97) and submitted that the essential function of a trade mark was to guarantee the identity of the origin of the products and to enable the consumers to distinguish the product or service from one origin from the others without any possibility of confusion. Relying on cases *Bank für Arbeit und Wirtschaft AG v OHIM* [2001] E.T.M.R. 68 (Case T-87/00), *West (t/a Eastenders) v Fuller Smith & Turner plc* [2003] F.S.R. 44 and *Daimlerchrysler Corporation v OHIM* [2003] E.T.M.R. 87 (Case T-128/01), Mr. Yen submitted that a very limited degree of distinctiveness was sufficient.
13. I agree that the essential function of a trade mark is to guarantee the trade origin and to enable consumers to distinguish the goods or services of one undertaking from another without any possibility of confusion. However, if a mark fails to perform such essential function of a trade mark, the mark is not to be regarded as distinctive under section 11(1)(b) of the Ordinance. The ECJ has discussed the equivalent of section 11(1)(b) of the Ordinance in the case *Deutsche SiSi-Werke GmbH & Co. Betriebs KG* [2006] E.T.M.R. 41 (Case C-173/04P) at paragraph 60 and stated that this provision "is intended

to preclude registration of trade marks which are devoid of distinctive character which alone renders them capable of fulfilling the essential function of a trade mark, which is to guarantee the identity of the origin of the marked product or service to the consumer or end-user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin". Given the message of tag/card reader facility conveyed by the subject mark in the context of the applicant's goods and services which largely relate to card readers, payment/security control devices and services, I am not persuaded that when the average consumers view the subject mark in respect of the applied-for goods and services, they will perceive it as a guarantee of trade origin without any possibility of confusion. As such the objection under section 11(1)(b) must be maintained.

14. Mr. Yen also submitted that the combination of a hand device, an oval device, a card device and a set of curves in the subject mark is distinctive in respect of the applied-for goods and services as it is not the typical representation of the goods and services applied for. He quoted paragraph 39 in *Henkel KGaA v OHIM* [2005] E.T.M.R. 56 (Case T393/02) that "with respect to the assessment of the various elements, it must be pointed out that that a sign consisting of a combination of elements, each of which is devoid of any distinctive character, can be distinctive provided that concrete evidence, such as, for example, the way in which the various elements are combined, indicates that the sign is greater than the mere sum of its constituent parts".
15. On assessing the subject mark in its entirety I do not see that the combination of the various elements is distinctive. The fact that a particular mark is not a typical way to represent the goods or services does not necessarily demonstrate that the mark possesses any distinctive character in respect of those goods and services. The crux of the matter is whether the consumers will perceive the subject mark first and foremost as a trade mark. The average consumers normally perceive a mark as a whole and do not proceed to analyse its details. In respect of the applied-for goods and services, they will perceive the subject mark in its entirety as no more than an indication of tag/card reading facility or a representation of how to use it. They are not likely to perceive it immediately as a sign guaranteeing that the goods originate from a single undertaking without being educated to do so.
16. Mr. Yen referred me to the acceptance of the mark  of registration no. 300306710 in respect of credit card and payment services in class 36 on a *prima facie* basis. As this mark forms part of the subject mark, he said that

the Registrar should adopt the same approach and accept the subject mark. He added that if the mark of registration no. 300306710 were to be added as a house mark, the amendment would have been accepted.

17. I am not persuaded by Mr. Yen's submissions. As submitted by Mr. Yen, the subject mark should not be assessed on its components separately. In the context of the subject mark as a whole and in respect of the applied-for goods and services, the mark will be perceived as waves (for example radio waves and electromagnetic waves) involved in the tag/card reading technology used. For instance, radio frequency identification is known to involve the transmission of wave signals. The mark reinforces the concept of a tag/card reading facility and does not confer any distinctive character on the subject mark as a whole in the context of the applied-for goods and services, for example, radio frequency identification devices and cards in class 9 and payment and transaction authentication by means of radio frequency identification devices in class 36.
18. Based on the reasons stated above, I am of the view that the average consumers are unlikely to perceive the subject mark immediately as an indication of trade origin 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 in respect of all the applied-for goods and services under section 11(1)(b) of the Ordinance.

Other issues

19. Mr. Yen referred me to the registration of the subject mark in other jurisdictions including Australia, New Zealand, the United Kingdom, Singapore and the United States. I have considered these overseas registrations but do not find them of assistance to this application. The fact that a mark is registered in other jurisdictions does not necessarily mean that it is distinctive. It must be borne in mind that domestic 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 (*Automotive Network Exchange Trade Mark* [1998] R.P.C. 885).
20. He also referred me to other marks consisting of a hand device that were accepted for registration by the Registrar on a *prima facie* basis. I have

considered the registered marks and I find that most of the quoted examples are not on par with the present application. In any event I do not consider it appropriate to compare the subject mark with other registered marks. Each case must be considered on its own merits. As stated in *British Sugar*, “It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see e.g. *MADAME Trade Mark* ([1966] R.P.C. 541) and the same must be true under the 1994 Act.”

Conclusion

21. 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 as a whole is found to be devoid of any distinctive character under section 11(1)(b) of the Ordinance in respect of all the applied-for goods and services in classes 9 and 36. The subject application is accordingly refused under section 42(4)(b) of the Ordinance.

Sarah Li
for Registrar of Trade Marks
21 February 2007