

O-172-03

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No 2200198

BY WAL-MART STORES INC.

TO REGISTER IN CLASS 16 THE TRADE MARK

“OUR PEOPLE MAKE THE DIFFERENCE”

AND IN THE MATTER OF OPPOSITION THERETO

BY TESCO STORES LIMITED

UNDER No 52094

Background

1. On 14 June 1999, Wal-Mart Stores, Inc. applied to register the trade mark OUR PEOPLE MAKE THE DIFFERENCE in Class 16 in respect of:

Stationery, paper and plastic bags, printed paper signs, printed forms, advertising supplements to newspapers for general circulation, privately circulated newsletters, packaging, price tags.

2. The application was subsequently accepted and published for opposition purposes. On 1 February 2001, Tesco Stores Ltd filed notice of opposition. The grounds of opposition are that the registration of the trade mark would be contrary to:

- (i) Section 3(1)(b) of the Trade Marks Act 1994 because the mark consists of a slogan which is a simple statement which will not be taken as a trade mark by the average consumer and is therefore devoid of any distinctive character, and
- (ii) Section 3(1)(c) of the Act because the mark consists of a sign or indication which describes the quality of the service provided by an organisation whose staff make the difference.

3. The applicant filed a counterstatement essentially denying the grounds of opposition and pointing out that slogans of the type applied for are used by retail stores as trade marks.

4. Both sides ask for a contribution towards their costs.

5. The matter came to be heard on 11 June 2003 when the applicant was represented by Miss C May of Counsel, instructed by Appleyard Lees, and the opponent was represented by Mr G Tritton of Counsel, instructed by Hallmark IP Ltd.

Opponent's evidence

6. The opponent's evidence consists of a witness statement by Mr Martin Field, who is the Director of Legal Services at Tesco. His witness statement and the three exhibits which accompany it, provide details of various slogans used by Tesco and others in the retail trade in order to extol the virtues of the services they provide and/or the goods that they sell. Mr Tritton placed no reliance on the opponent's evidence at the hearing. I believe that he was right not to do so. Even taken at its highest, the opponent's evidence shows no more than that slogans are widely used in the retail trade for informative purposes. The evidence does not assist me in assessing whether the particular slogan at issue has a distinctive character as a trade mark.

Applicant's evidence

7. The applicant's evidence consists of a witness statement by Anthony Brierley of the applicant's trade mark attorneys, Appleyard Lees. Mr Brierley's witness statement is accompanied by 12 exhibits. His evidence shows that the applicant's mark has been registered in the United States of America in respect of department store services. The registration appears to have been made on 21 August 1989 based on use in the USA since 1979. One of the exhibits (APB9) shows examples of the trade mark in use in the USA in

relation to the services for which it is registered. The exhibits also provide various lists of slogan marks that have been applied for and/or registered as trade marks in the United Kingdom. However, there is no evidence that any of these marks were in use in the United Kingdom prior to the relevant date in these proceedings, which is 14 June 1999. Nor is there any evidence that the mark applied for was used in the United Kingdom prior to the relevant date. Mr Brierley's witness statement also contains details of earlier proceedings between the parties in respect of other trade marks. These earlier proceedings were concerned with matters which have no bearing on the outcome of this application. This part of his evidence is therefore irrelevant.

Opponent's Arguments

8. The opponent's arguments are, firstly, that the mark applied for may serve as a simple promotional statement referring to the quality of the staff of an undertaking, and as the applicant's goods are the sort of media used by an undertaking to promote its business, that the trade mark will also be taken as merely descriptive of such goods. In this connection, Mr Tritton drew my attention to the judgments of the European Court of Justice (ECJ) in the cases of *Windsurfing Chiemsee* [1999] ETMR 585 and *Linde AG* (C-53/01) wherein the court observed that Article 3(1)(c) of the Trade Mark Directive (and hence Section 3(1)(c) of the Act which implements this aspect of the Directive in the UK) pursues an aim which is in the public interest, namely of ensuring that descriptive signs or indications may be freely used by all.

9. Secondly, that the applicant's mark has an immediately obvious semantic meaning and does not exhibit any characteristics in the nature of a lexical invention or a syntactically unusual juxtaposition of words, in contrast with the trade mark that was the subject of the ECJ's judgement in the *Baby-Dry* case [2002] RPC page 369.

10. Thirdly, that the exclusions set out in paragraphs (b) and (c) of Section 3(1) of the Act are to be considered independently. The result of this is that a slogan free from objection under Section 3(1)(c) may nevertheless be excluded from registration by Section 3(1)(b). And in order to be free from objection under Section 3(1)(b) of the Act a slogan must be such as to be immediately perceived by the average consumer of the goods listed in the application as an indication of the trade source of those products.

11. Fourthly, that whilst the legal criteria for the protection of all types of trade mark is the same, marks consisting of promotional slogans are, as a matter of fact, less likely to be perceived as having trade mark character because consumers are not accustomed to such signs being used to indicate the trade origin of goods or services. In this respect, Mr Tritton drew my attention to the judgement of Mr Justice Rimer in *Societe des Produits Nestlé SA v Mars UK Ltd* (Have a Break), 2 December 2002.

12. Fifthly, that the applicant's mark conveys much the same message as the mark PUTTING CUSTOMERS FIRST, which is the very example given in the HAVE A BREAK case of a slogan mark that would have no trade mark significance even if it were used in relation to goods rather than services. The same example is used in the Registrar's Practice Amendment Circular 2/2000 as an illustration of a non-distinctive slogan.

Applicant's Arguments

13. Miss May submitted that the opponent's case under Section 3(1)(c) was bound to fail. She pointed out that, as pleaded, the allegation is that the mark is descriptive of services. However, there are no services in the application. Miss May accepted that, for the purpose of my decision, Section 3(1)(b) should be taken to operate independently of Section 3(1)(c) of the Act. However, she reserved the applicant's right to argue to the contrary effect in the event that the matter goes further. With regard to the opponent's case under Section 3(1)(b), Miss May accepted that the appropriate test was that set out by the ECJ in paragraph 40 of its judgement in *Linde AG* (see above). The court indicated that a trade mark has distinctive character only if it is able to distinguish the goods or services of one undertaking from those of other undertakings. Miss May pointed out that in assessing whether or not a mark is distinctive, the court or tribunal should have regard to both the goods for which registration is sought and the attributes of an average consumer of those goods.

14. Miss May drew my attention to the judgement of the Court of First Instance (CFI) in the case of *Das Prinzip Der Bequemlichkeit*, T-138/00. In that case the CFI stated, at paragraph 44 of its judgment, that the test for registrability of slogan type trade marks is not stricter than that which applies to other types of trade marks.

15. The opponent says that the relevant consumer is familiar with various supermarket chains using different slogans or catchphrases as trade marks in relation to the goods or services they provide. Examples are said to include "Making Life Taste Better" (Sainsburys), "Lightening the Load" (Safeway) and "Every Little Helps" (Tesco). Further, the trade mark has been used as a trade mark in the USA since about 1979, and I should therefore assume that consumers there understand the trade mark to designate trade origin. It is submitted that in the absence of evidence to the contrary, I should assume that the consumer in the UK will perceive the slogan in the same way as his or her American counterpart. Finally, it is argued that the trade mark has no obvious direct or indirect connection with the goods for which registration is sought, and that there is no evidence to suggest that the average consumer would associate the trade mark with the goods in a manner that was origin neutral. In this connection, Miss May points out that the burden of proof is on the opponent.

Decision

16. In *Proctor & Gamble's Applications* [1999] RPC 673, Lord Justice Robert Walker (as he was then) said that it was not helpful to characterise the judgment that the Registrar has to make in assessing the distinctiveness of a trade mark in terms of a burden of proof. In *Dualit's Application* [1999] RPC 890 (at paragraph 30), Mr Justice Lloyd referred to the approach taken by the Court of Appeal, and indicated that in certain cases the burden of proof in an opposition may fall upon the applicant. Consequently, if by a burden of proof, the applicant means that the opponent is under a duty to bring forward evidence to displace the Registrar's original view that the trade mark has distinctive character, then I do not accept that that is an accurate statement of the law. However, if all that is meant is that the opponent has to persuade the Registrar (through submissions and/or evidence) that on a balance of probability her initial assessment of the applicant's trade mark was wrong, then I would accept Miss May's submission.

17. The relevant parts of Section 3(1) of the Act are as follows:

“3.-(1) The following shall not be registered -
(b) trade marks which are devoid of any distinctive character,
(c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services”

18. The opponent's case under section 3(1)(c) is that the trade mark applied for is descriptive of the quality of services provided by an organisation whereby its staff make the difference. As there are no services in the application, this case is bound to fail. The objection must therefore be rejected.

19. As I have already indicated, it was common ground before me that the failure of an objection under section 3(1)(c) did not automatically exclude the possibility of a successful objection under section 3(1)(b). It was also common ground that the test for distinctive character is that set out by the ECJ in paragraph 40 of its judgement in *Linde* (see above). A trade mark which is not descriptive of the goods for which registration is sought may nevertheless lack any distinctive character as a trade mark. In this respect, I note that in the *Have a Break* case the Judge expressly approved the Registrar's findings to this effect (see paragraphs 21 and 24 of the judgment).

20. I accept that a lack of originality does not necessarily mean that a slogan lacks distinctive character as a trade mark. I also accept that the legal criteria for assessing distinctive character does not vary depending on the type of trade mark concerned.

21. There was understandably much discussion at the hearing about the CFI's judgments in the case of *Das Prinzip Der Bequemlichkeit* [2002] ETMR 39, and the later case of *Real People, Real Solutions*, T-130/01, 5 December 2002. Miss May drew support from the CFI's findings in the first case that the slogan concerned did not lack distinctive character because (a) it was not descriptive of the goods listed in the application, and (b) there was no evidence that traders customarily used the words “Das Prinzip Der” in combination with descriptive terms. For his part, Mr Tritton drew support from the court's later judgement in which it found that the mark REAL PEOPLE, REAL SOLUTIONS was a non-distinctive and purely promotional slogan, despite (a) a finding that the mark was not directly descriptive of the services at issue, (b) the absence of any evidence of significant use of the term in the trade concerned prior to the date of the application.

22. If it is necessary for evidence to be produced to show that a slogan has already fallen into customary use before it can be found to lack distinctive character as a trade mark, the condition for refusal of slogans under Section 3(1)(b) would be no different to that under Section 3(1)(d). The latter provision expressly excludes the registration of trade marks which have become customary in the language of the relevant trade. I do not accept that the CFI's earlier decision should be taken to establish a rule that an objection under section 3(1)(b) cannot succeed in the absence of evidence that a slogan mark (or part of it) is already generic. Rather, I believe that the reason for the CFI's decision in the earlier case was that the Court felt that “Das Prinzip Der” and “Bequemlichkeit” presented an unnatural combination of terms in the German language, and no evidence had been put forward to displace the Court's

judgement on this point. I believe that these cases establish that each mark of this type must be considered on its own merits.

23. In the absence of any direct evidence from consumers as to their initial reaction to the trade mark, the Registrar has to form her own view about how an average consumer of the goods concerned would be likely to react to the trade mark.

24. Miss May asked me to accept that the applicant's evidence showed that slogans were in common use in the United Kingdom at the relevant date as, inter alia, indications of trade source. However, the applicant's evidence does not show that any of the slogans referred to have been used in the UK prior to the relevant date in these proceedings. All the evidence shows is that a significant number of slogan type trade marks have been applied for by retailers and others. Some of these have been registered and some have not. I do not believe that this is evidence that consumers have been educated to regard promotional slogans as the type of sign which can be expected to additionally identify the trade source of goods or services.

25. The evidence of registration, and limited evidence of use, of the trade mark in the USA can have no bearing on the outcome of this application. This is because, firstly, the mark was registered in the United States of America in 1989, apparently based upon some ten years use prior to that date. It does not appear to have been registered as an unused mark. Secondly, there is no direct evidence of how consumers in the United States have reacted to the use of the trade mark in that jurisdiction.

26. As Mr Tritton pointed out, the goods in the application are of a type used by businesses, particularly by retailers, to convey information to their customers, including promotional statements.

27. In my judgement, the relevant consumer seeing this mark on goods, such as a shopping bag, or on an advertising newsletter, or on a price tag, would understand the slogan as conveying a purely promotional message extolling the qualities of the staff of the undertaking which is responsible for the business in which the goods are used. There is, of course, a distinction between using a trade mark on a product and using it as a trade mark in relation to that product. The difficulty that the applicant faces is that when OUR PEOPLE MAKE THE DIFFERENCE appears on goods of the type in the application, the relevant consumer would be so likely to perceive this as a reference to the staff of the undertaking concerned, that he or she would be extremely unlikely to see the slogan as having any other significance in relation to the items upon which it physically appears.

28. For these reasons I find that the mark applied for would have no trade mark character if used normally and fairly in relation to the goods listed in the application. The opposition under Section 3(1)(b) is therefore successful.

Costs

29. The opposition having succeeded the opponent is entitled to a contribution towards its costs. I have taken account of the small amount of relevant evidence that has been filed and the relatively straightforward nature of the issue at the heart of this opposition. Having taken account of all these factors, I order the applicant to pay the opponent the sum of £1,500 as a contribution towards its costs. This sum to be paid within a period of 35 days of the date of

this decision, or in the event of an unsuccessful appeal, within seven days of the final determination of the matter.

Dated this 24TH Day of June 2003

**Allan James
For the Registrar**