

O/655/19

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION: 3354147

BY BOURSE SCOT LIMITED

TO REGISTER THE FOLLOWING TRADE MARK IN CLASSES 9, 16, 35, 36, 41:

SCOTTISH STOCK EXCHANGE

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Background:

1. On 16 November 2018, Bourse Scot Limited (“the applicant”) applied to register the mark for the following goods and services:

Class 9: Computer software; computer software and software applications relating to finance and investment; downloadable electronic publications; downloadable electronic publications relating to finance and investment; databases containing information relating to finance and investment.

Class 16: Printed matter; books; printed publications; periodicals; stationery; instructional and teaching material.

Class 35: Advertising; rental of advertising space on websites; arranging, producing and managing of advertising, marketing and promotional material; production of digital content for marketing and advertising purposes; promotion of businesses according to social or environmental criteria; organising and conducting trade fairs and exhibitions, all for commercial or advertising purposes; provision of commercial information; business data analysis; business risk advice services; auditing services; business auditing; business research on social and environmental impact; database management services; data management; commercial data analysis; collection and systemisation of data into databases; management of digital content; computerised data verification; customer reward scheme services; information, consultancy and advice relating to any of the aforesaid services.

Class 36: Financial services; investment services; monetary affairs; stock exchange services; provision of advice, news and information, all relating to finance, investment, savings, pensions, and insurance; financial risk advice; evaluation of and publishing information on financial service providers; financial transactions, trading in investments, stocks and shares provided by means of a global computer network; trading in securities provided by means of a global computer network; online brokerage services; provision of financial trading information; crowd funding services; crowd funding investment provided by means of a global computer network; financial, management and analysis services; provision of financial information; provision of

share price information; stock exchange quotation and listing services; share price information services; provision of a financial market for the trading of securities, shares and options and other derivative products; recording and registering the transfer of stocks, shares and securities; maintaining and recording the ownership of shares, stocks and securities; settlement services; trade matching services; preparation and quotation of stock exchange prices and indices; automated trading of financial instruments, shares, options and other derivative products; electronic financial trading services; financial services, all relating to, or connected with, the trading of financial instruments, securities, shares, options and other derivative products; stocks and bonds brokerage; the provision and dissemination of financial information and indices; computerised information services relating to business appraisals, investments, stocks and shares; information and research services related to or connected with trading of financial instruments, securities, shares, options and other derivative products, company valuations, earnings, financial results and stock prices relevant to the raising of capital and trading on a stock exchange; stock exchange price quotations; information services relating to stock exchange quotations; information, consultancy and advice relating to any of the aforesaid services.

Class 41: Publishing services; electronic publishing services; publishing in the field of finance and investment; publication of reports on the social impact of companies; library services; production, recording, distribution, rental, showing of audio recordings, video recordings, music, interactive games, films, digital content; non-downloadable music, audio, video, digital content, provided from the Internet; arranging and conducting of conferences, seminars and workshops; event management services; organisation of award shows; education and training relating to finance and investment; education in the field of impact investing; organising and hosting webinars, seminars, conferences, in the field of finance and investment; information, consultancy and advice relating to any of the aforesaid services.

2. On 22 November 2018 the Intellectual Property Office (“IPO”) issued an examination report in response to the application. In that report the following objection was raised under Sections 3(1)(b) and (c) of the Trade Mark Act 1994 (“the Act”):

“Section 3(1)(b) and (c)

The application is not acceptable in Class 36. There is an objection under Section 3(1)(b) and (c) of the Act. This is because the mark consists exclusively of a sign which may serve in trade to designate the kind and geographical location of the services e.g. financial services provided by a stock exchange that operates in Scotland, i.e. SCOTTISH STOCK EXCHANGE.

Collins English Dictionary defines ‘stock exchange’ as follows:

1. Also called: stock market

A - a highly organized market facilitating the purchase and sale of securities and operated by professional stockbrokers and market makers according to fixed rules

B - a place where securities are regularly traded

2. the prices or trading activity of a stock exchange - the stock exchange fell heavily today.

A trade mark must not be descriptive of the goods or services that it represents e.g. Apple for apples or cotton for cotton are not acceptable. It must also be capable of distinguishing one provider of the goods or services from another i.e. it must act as a badge of origin.

Also, it must not be a phrase that would be commonly used in your industry and as such would become non-distinctive for these particular services offered. The registry also will not grant monopoly rights to such generic phrases as others in the industry who would legitimately want to use them. Therefore, it cannot function as a trade mark.

Overcome Objection

Please note that the objection relating to Section 3(1)(b) and (c) only applies to Class 36 and can be overcome by removing Class 36 from the application and proceeding with the surviving Classes.”

3. On 15 January 2019 Reddie & Grose LLP (“the agent”) acting on behalf of the applicant requested a hearing. At the hearing, which was held on 14 March 2019 with Mr Daniel Sullivan of the agents, Mr Sullivan conceded that upon first impression, the sign was merely descriptive of stock exchange services being provided in Scotland. However, he argued that the average consumer would only expect there to be one provider of stock exchange services in Scotland therefore, there was no need to keep the sign free for other traders to use. Mr Sullivan referred to the trade marks examination manual which provided an example of an acceptable trade mark which he believed to be on a par with this application. The example mark was ‘Taekwondo Federation of Wales’. The examination manual states that this mark is acceptable as the average consumer would only expect there to be one federation providing taekwondo services in Wales. Mr Sullivan argued that on this principle, this sign should also be considered acceptable. Mr Sullivan also referred to the sign ‘Abertillery Blues Festival’ which is also mentioned in the trade marks examination manual. Mr Sullivan stated that this mark was also considered acceptable as consumers would only expect there to be one provider of a blues festival in Abertillery. Mr Sullivan brought my attention to several marks which had previously been accepted by the registry which he considered to be on a par with the mark applied for: Istanbul Stock Exchange, Turkey Stock Exchange, Edinburgh Stock Exchange, Cayman Islands Stock Exchange and Johannesburg Stock Exchange. Mr Sullivan argued that as these marks had been accepted by the registry, this supported his claim that consumers would only expect there to be one provider of stock exchange services in each geographical area. Mr Sullivan also referred to marks which he considered on a par with this application which had been accepted at the European Union Intellectual Property Office (EUIPO): Toronto Stock Exchange, Irish Stock Exchange, Taiwan Stock Exchange, Luxembourg Stock Exchange, American Stock Exchange, New York Stock Exchange and Mexican Stock Exchange. Finally, Mr Sullivan submitted that he had a letter from Mr Jamie Hepburn, MSP and Minister for Business, Fair Work and Skills, who endorsed and supported this application. Mr Sullivan provided me with a copy of the letter and asked that I consider this before making my decision. Mr Sullivan requested that the contents remained confidential.
4. I deferred my decision at the hearing to consider Mr Sullivan’s submissions and the letter he provided in support of the application from the Minister for Business, Fair Work and Skills. In the hearing report, I maintained the objection as the sign ‘Scottish Stock Exchange’ described stock exchange services provided in or originating from Scotland. The term ‘stock exchange’ is a clearly defined term which would be easily understood as a description by the average consumer. The addition of the word ‘Scotland’ to the

sign merely informs the consumer that this is where the services are provided or where they originated from. I found nothing to support Mr Sullivan's claim that the average consumer of these services would only expect there to be one provider in a geographical area. I established that there had previously been four stock exchanges in Scotland: Edinburgh Stock Exchange, Glasgow Stock Exchange, Dundee Stock Exchange and Aberdeen Stock Exchange. These were merged into the Scottish Stock Exchange in 1964 and later merged into the London Stock Exchange. As there had previously been more than one provider of stock exchange services in Scotland, I believed the average consumer would not expect there to be only one provider of these services in Scotland. I therefore maintained the Section 3(1)(b) and (c) objection on these grounds.

5. On 16 May 2019 the agent submitted a request for an extension of time to deal with the outstanding objections from the hearing, which was granted. On 22 July 2019 the agent submitted a form TM5 request for a statement of reasons for the Registrar's decision. I am now asked under Section 76 of the Trade Marks Act 1994, and Rule 69 of the Trade Mark Rules 2008, to state the grounds of my decision and the material used in arriving at it. No formal evidence has been put before me for the purposes of demonstrating acquired distinctiveness, therefore I only have the *prima facie* case to consider.

The prima facie case for registration under Section 3

The Law

6. Section 3(1) of the Act reads as follows:

3.-(1) The following shall not be registered –

(a) ...

(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,

(d) ...

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above 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.

The relevant legal principles – Section 3(1)(c)

7. There are a number of judgements of the Court of Justice of the European Union ('CJEU') which deal with the scope of Article 3(1)(c) of the Directive and Article 7(1)(c) of the Regulation, whose provisions correspond to section 3(1)(c) of the UK Act. I derive the following main guiding principles from the cases noted below:
 - Subject to any claim in relation to acquired distinctive character, signs and indications which may serve in trade to designate the characteristics of goods and services are deemed incapable of fulfilling the indication of origin function of a trade mark (*WM Wrigley Jr & Company OHIM, C-191/01P (Doublemint), paragraph 30*);

- Article 7(1)(c) (section 3(1)(c)) pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all. The provision therefore prevents such signs or indications from being reserved to one undertaking alone because they have been registered as trade marks (see judgment of 4 May 1999 in Joined cases C-108/97 and C-109/97 *Windsurfing Chiemsee Produktions- und Vertriebs GmbH (WSC) v Boots-und Segelzubehör Walter Huber and Franz Attenberger (Chiemsee)* [1999] ECR I-2779, at paragraph 25).
 - There must be a sufficiently direct and specific relationship between the sign and the goods and services in question to enable the relevant consumer immediately to perceive, without further thought, a description of the category of goods and services in question or one of their characteristics (*Ford Motor Co v OHIM, T-67/07*)
 - A sign which fulfils functions other than that of a trade mark is only distinctive if it may be perceived immediately and on first impression as an indication of the commercial origin of the goods or services, so as to enable the relevant consumer to distinguish, without any possibility of confusion, the goods and services of the owner of the mark from those of a different commercial origin (*Sykes Enterprises v OHIM (Real People Real Solutions)* [2002]. ECT 11-5179).
 - The registration of geographical names as trade marks is excluded under section 3(1)(c) not only where they designate specified geographical locations which are already famous or known for the category of services concerned, and which are, therefore, associated with those services in the minds of the relevant consumers; it is equally excluded if the geographical name is liable to be used by other traders and must remain available to them as indications of the geographical origin of the category of services concerned (see *Chiemsee*, at paragraphs 29 and 30).
 - In light of all the foregoing, a sign's descriptiveness cannot be assessed other than by reference to the goods or services concerned, on the one hand, and by reference to the understanding which the relevant persons have of it, on the other (see judgment of 15 October 2003 in Case T-295/01 *Nordmilch eG v OHIM ('Oldenburger')* [2003] ECR - 4365, at paragraphs 27 to 34).
8. I also have to take into account the consequences for third parties of granting the applicant a monopoly. In *Linde A.G. v Rado Uhren A.G.* Case C-53/01 the following guidance was given at paragraphs 73 - 74:

"73. According to the Court's case-law "Article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (see to that effect, Windsurfing Chiemsee, paragraph 25).

74. The public interest underlying Article 3(1)(c) of the Directive implies that, subject to Article 3(3) any trade mark which consists exclusively of a sign or indication which may serve to designate the characteristics of goods or a service within the meaning of that provision must be freely available to all and not be registrable."

9. It is clear from the aforementioned case law that assuming notional and fair use, I must determine whether or not the mark applied for will be viewed by the average consumer

as a means of directly designating the essential characteristics of the services being provided. I therefore must consider who the average consumer of the services covered by the application is. I believe that the consumers for the services being provided will be both specialist and non-specialist consumers. Services such as financial services and investment services would be directed at both the general public and more specialist consumers, in this respect, consumers are likely to be highly aware in their consideration and selection of such services. Stock exchange services are highly regulated. However, it is my understanding the regulations generally cover the terms and conditions of trading on the stock exchange (i.e the objects and instruments being traded) and does not cover, for example where stock exchanges can be set up or how many stock exchanges can operate in a particular geographical location. Previously, and as I have already stated, there have been four stock exchanges trading in Scotland: Edinburgh Stock Exchange, Glasgow Stock Exchange, Dundee Stock Exchange and Aberdeen Stock Exchange. I appreciate that this was 55 years ago however, it is not unreasonable to conclude that there could again be more than one provider of stock exchange services in Scotland, as there have been before.

The question of 'association' in relation to geographical names

10. The mark consists of the geographical word 'Scottish' together with the words 'Stock Exchange'. Stock exchange is defined in the Oxford dictionary of English as; *noun* 'a market for the buying and selling of public securities; the place or building where this is done; an association of brokers and jobbers who transact business in a particular place or market'.
11. Taking into account the average consumers perception of the mark, I must consider whether 'Scotland' is likely to be associated in the mind of the relevant class of persons with the categories of services concerned, or whether it is reasonable to assume that such an association may be established in the future. In doing so I must ascertain the average consumers familiarity with the geographical name in question, the characteristics of the place designated by that name and with the goods and services concerned, as stated in paragraph 37 of the *Chiemsee* decision (Joined Cases C-108/97 and (C-109/97)

"where there is currently no association in the mind of the relevant class of persons between the geographical name and the category of goods in question, the competent authority must assess whether it is reasonable to assume that such a name is, in the mind of the relevant class of persons, capable of designating the geographical origin of that category of goods:

in making that assessment, particular consideration should be given to the degree of familiarity amongst the relevant class of persons with the geographical name in question, with the characteristics of the place designated by that name, and with the category of goods concerned"

12. There is also the question of a wider possible 'association'. For example, in the *Canary Wharf* decision ([2015] EWHC 1588 (Ch), the Court concluded that given the nature and in particular, the extent of the area and the nature of goods and services, it seemed reasonable to assume that the relevant consumer could see the words as designating a characteristic (geographical location or origin) of the goods or services. This case also stated that the 'need to keep free' principle is not limited to the use of a geographic name in respect of the goods or services for which a particular area is already famous. On the contrary it can cover the use of the name in respect of services for which it has never been used before. In the *Canary Wharf* case, the services applied for were, broadly speaking, business support services such as car parking,

leasing and security services. The question is simply whether it is reasonable to assume that the name is merely going to indicate geographic origin. Where the sign is the name of a general business district, and the services are precisely the kind of services one would expect to be offered by or to businesses in that district, the sign will obviously only indicate geographic origin.

13. Applying these principles to this mark, whilst Scotland may not currently have a reputation for stock exchange services, it does have a distinguished history in respect of financial services, in general terms, that dates back over 300 years. It is also one of Europe's leading financial centres and the second financial hub in the UK outside of London. In view of this, it is reasonable to conclude that the relevant consumer would make an immediate link between the word 'Scottish' and a stock exchange and thus perceive the sign as merely designating characteristics of the services. Whilst I appreciate the sign includes the word 'Scottish' rather than 'Scotland', I do not believe this would alter the average consumers perception of the sign as a whole or add any distinctiveness to the sign. The sign will be perceived upon first impression as designating a characteristic of the services namely, stock exchange services that emanate from or are provided in Scotland.

Other registered trade marks

14. Regarding the precedents referred to in paragraph 3, the legal position with such marks raised as comparators has been recently clarified in relation to the mark BREXIT BL O-262-18 see paras [46-48]. Nonetheless, I shall try to give an explanation for these earlier acceptances. These marks included registrations for Edinburgh Stock Exchange, Cayman Islands Stock Exchange, Johannesburg Stock Exchange and London Stock Exchange. The application for the mark Edinburgh Stock Exchange was accepted prima facie as the mark included a distinctive device element. The registration for the word only marks Cayman Islands Stock Exchange, Johannesburg Stock Exchange and London Stock Exchange were all accepted on the basis of acquired distinctiveness through use. These marks on the register therefore do not support Mr Sullivan's claim that the average consumer would only expect there to be one stock exchange per state or per economy and neither do they provide any other support for the acceptance of this mark.

Section 3(1)(b)

15. I have fully considered in this case whether there is a separate or independent objection under section 3(1)(b). In the circumstances I do not consider that there is; the objection under 3(1)(b) co-exists and is co-extensive with the objection under section 3(1)(c). In other words, the mark is devoid of all distinctive character by virtue only of it designating a characteristic under section 3(1)(c).

Procedural issues

16. In its document entitled 'grounds for appeal', the applicant has raised a number of procedural issues which I need to address. For example, the applicant states that there was an absence of engagement or that I had said certain points were 'valid', thus giving a false indication. It is true that, as is common with many ex parte hearings these days, I deferred my decision on the day of the hearing to further consider the applicants submissions and to take into consideration the supporting letters which were presented to me on the day of the hearing. When the hearing report was issued, a period of 2 months was further allowed from the date of the report to allow the applicant time to address any concerns and a further 2 months extension of time was granted at the

applicants request. This provided sufficient time for the applicant to make any submissions in relation to the points raised in my decision whether at the hearing or afterwards and therefore, the applicant was not at a disadvantage in the consideration of the case and a fair hearing was conducted.

Conclusion

17. I have concluded that the mark applied for will not be identified as a trade mark without first educating the public that it is an indication of trade origin. In this decision I have considered all the documents filed by the applicant, and all the arguments submitted in relation to the application. Having done so, and for the reasons given above, the application is refused under sections 3(1)(b) and 3(1)(c) of the Act for all services in Class 36 and can be accepted for advertisement purposes for the goods and services applied for in Classes 9, 16, 35 and 41.

Dated this 28th day of October 2019

**Rebecca Thomas
For the Registrar
The Comptroller-General**