TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NUMBER 3341765
BY WELCOME BREAK GROUP LIMITED
TO REGISTER THE FOLLOWING TRADE MARK IN CLASSES 9, 28 AND 41:

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### **Background**

1. On 28 September 2018, Welcome Break Group Limited ('the applicant') applied to register the above trade mark for the following goods and services:

Class 09: Computers and video computer game apparatus; apparatus adapted for use with computers or television receivers; amusement machines; games software; customer loyalty cards; software application enabling content, text, and other data to be downloaded to and accessed on a computer or other portable consumer electronic device; parts and fittings for all the above goods.

Class 28: Games, toys, playthings; amusement apparatus and machines; parts and fittings for all the above goods.

Class 41: Entertainment services; amusement arcades, games and amusement areas; provision of amusement facilities; operation of children's rides; consultancy, advisory and information services for all the above services.

- 2. On 2 October 2018, the Intellectual Property Office ('IPO') issued an examination report in response to the application. The examination report contained a partial objection under Section 3(1)(b) &(c) of the Trade Marks Act 1994 ('the Act'), in respect of Class 41 only.
- 3. The partial objection under section 3(1)(b) &(c) was raised on the basis that, in respect of services applied for, the sign 'GameZone' merely served to describe an area where games and amusements could be played e.g., a game zone for playing games/amusements.
- 4. On 3 December 2018, Sipara Limited ('the agent') requested a hearing on behalf of the applicant resulting in a hearing being scheduled for 7 February 2019. A day prior to the hearing, the agent provided examples of the word 'zone' being used as part of a wider trade mark as they wished to discuss this point at the hearing (these are shown in Annex A).
- 5. The hearing was attended by Mr Furneaux of Sipara Limited. Mr Furneaux made the following aural submissions at the hearing in support of establishing that the mark was distinctive in the *prima facie*:
  - The expression 'GameZone' is not the usual way of describing the services in question, the apt term to describe an area to play games would be 'amusement arcade' or 'play area'.

- The dictionary definition of the word 'Zone' provided in the exam report which described 'an area which has particular features or characteristics' is not disputed. However, the Collins definition also make references to a 'war zone', 'disaster zone' and 'time zone' as well as listing synonyms of the word 'zone' such as area, region or sector. These definitions and synonyms should be considered as more indicative of large outside areas. Further to this, the Oxford Dictionary definition refers to an 'area or stretch of land having a particular purpose or use, such as a pedestrian zone, or military zone'. This further supports a meaning of a zone being a large outside area.
- There is no evidence that Game Zone is an established term and in this respect, amusement arcades are not new nor is the term used by others in trade.
- In the context of an amusement arcade, the sign is not descriptive of the services. The use of the sign as one word is merely allusive to the applicant's services.
- Regarding section 3(1)(b), the Trade Mark Work Manual states that "Marks consisting of the word 'World' in combination with the name of, or a description of, the goods or services will normally be accepted prima facie. Consumers are used to seeing such signs functioning in the market place as indicators of trade origin (e.g. 'FURNITURE WORLD'). That said, applications to register well established terms which are used in their respective fields, such as 'business world' and 'financial world' would face an objection." The mark at issue is analogous with 'world' marks and consumers are similarly used to seeing such signs functioning as trade marks. To further support this claim, similar 'zone' marks have been registered including the marks 2302784 'SHOEZONE' and 2620006 WELLBEING ZONE.
- The sign is conjoined and incorporates colour and as a result adopts the appearance of a brand.
- There is no sufficiently direct and specific relationship between the sign and the applicant's services to enable consumers to immediately perceive a description of the services.
- There is no need for a high degree of inventiveness, linguistic or artistic creativity, or imaginativeness for the sign to be considered distinctive according to the Sat.1 decision (Satelliten Fernsehen GmbH v OHIM C329/02).
- The sign is distinctive however, the applicant will consider limiting the specification if this might help overcome the objection.
- The mark is a refresh of the applicant's earlier registered mark 2191124A which is registered in respect of a stylised mark.
- 6. At the hearing, I deferred my decision to allow time to further consider Mr Furneaux's submissions and the precedents discussed at the hearing. On 27 February 2019, I wrote to Mr Furneaux advising him of my decision to maintain to the objection against the services in Class 41. A period of two months was granted until 29 April 2019 to allow Mr Furneax time to explore filing evidence of acquired distinctiveness. The objection was maintained after the hearing on the basis that taking into consideration how consumers would perceive the sign as a whole, when used in relation to the

applicant's services, that it would merely be perceived as designating an area specifically for gaming activities. The colour and presentation within the mark, had been factored into my assessment of the mark, but I did not consider that merely conjoining two descriptive words and the addition of colour, added sufficient distinctiveness to the sign, that would enable it to function as a trade mark.

7. Although the application had not been formally refused, I had made clear that I was maintaining the objection in relation to Class 41. To all intents and purposes this drew to a close further discussion on the issue. A form TM5 was duly received on the 15 March 2019. Having received a request for a statement of reasons for the registrar's decision, I am now obliged to set out the reasons for my decision. No evidence was provided for the purpose of proving acquired distinctiveness through use at the examination stage nor at the hearing and as such, I am only required to consider the *prima facie* case.

## The Relevant legal principles – Section 3(1)(c)

- 8. The relevant section of the Act read 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 any other characteristic 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."

- 9. A number of judgements have been handed down by the CJEU which have established the scope of Article 3(1)(c) of the First Council Directive 89/104 (recoded and replaced by Directive 2008/95/EC on the 22 October 2008 which in turn, was repealed and replaced by Directive 2015/2436 on the 15 January 2019) and Article 7(1)(c) of the Community Trade Mark Regulations, whose provisions correspond to section 3(1)(c) of the UK Trade Marks Act 1994.
- 10. The main guiding principles which are relevant to this case are noted below:
  - For reasons of legal certainty and in support of the Registrars frontline role in preventing the granting of undue monopolies, it is incumbent on the Registrar to engage in an examination of the facts which is stringent and full, in order to prevent trade marks from being improperly registered (to that effect see CJEU Case C-51/10 P, Agencja Wydawnicza Technopol sp. z.o.o. v OHIM [2011] ECR I-1541 (Technopol)).

- It is an accepted principle in law, that in the context of Section 3(1)(c) of the Act, the expression 'may serve in trade' includes within its scope the possibility of future use even in instances where, at the date of application, the sign for which protection is sought is not used descriptively in trade (to that effect, CJEU Cases C-108/97 and C109/97 Windsurfing Chiemsee Produktions und Vertriebs GmbH v Boots and Segelzubehor Walter Huber and others).
- Further to the established principle of 'future use', it is also settled in law that
  the fact there may be little or no current use of the sign in trade at the time of
  application is not a determinative factor in assessing a marks acceptability for
  registration. The expression 'may serve in trade' should be interpreted as
  meaning 'could' the sign for which protection is sought serve to designate a
  characteristic of the goods or services (see BLO/096/11 Putter Scope, a
  decision by the appointed person, paragraph 11 refers).
- Article 7(1)(c) (section 3(1)(c)) pursues an aim which is in the public interest that descriptive signs or indications may be freely used by all (see Wm Wrigley Jr & Company v OHIM, C-191/01P (Doublemint), paragraph 31).
- Subject to any claim in relation to acquired distinctive character, signs and indications which may serve in trade to designate the characteristics of goods or services are deemed incapable of fulfilling the indication of origin function of a trade mark (see Wm Wrigley Jr & Company v OHIM, C-191/01P (Doublemint), paragraph 30).
- Article 3(1)(c) [Trade Mark Directive] precludes registration of a trade mark
  which consists exclusively of signs or indications which may serve, in trade, to
  designate characteristics of the goods or services in respect of which
  registration is sought, and that is the case even when there are more usual
  signs or indications for designating the same characteristics and regardless of
  the number of competitors who may have an interest in using the signs or
  indications of which the mark consists (see C-363/99 KPN/BMB Postkantoor).
- It is settled in law that marks which attract an objection under Article 3(1)(c) on the grounds of descriptiveness may still be considered to 'exclusively designate' even in instances where the mark is presented in a stylised format. Indeed, it is accepted in principle that descriptive signs which contain graphical elements which themselves are considered to be non-distinctive, are not precluded from falling foul of an objection under the scope of Article 3(1)(c). To this end see the Hormel Foods Corp v Antilles Landscape Investments NV High Court Decision ([2005] EWHC 13(ch); [20015] R.P.C. 28 (Spambuster)).
- There must be a sufficiently direct and specific relationship between the sign and the goods and services in question to enable the public concerned immediately to perceive, without further thought, a description of the goods and services in question or one of their characteristics (see CJEU Judgment C-468/01 P to C472/01 P Procter & Gamble Company v OHIM (Three-dimensional tablets for washing machines or dishwashers) at paragraph 39 and General Court Judgment T-222/02 Robotunits at paragraph 34).

### Application of legal principles – Section 3(1)(c)

- 11. In assessing whether the sign is devoid of distinctive character or whether it is descriptive, I am obliged to make an assessment of the relevant consumer which is essential when seeking to establish the likely perception of the mark in the first instance. In Matratzen Concord AG v Hukla Germany SA, C-421/04 (Matratzen), the CJEU stated that:
  - "...to assess whether a national trade mark is devoid of distinctive character or is descriptive of the goods or services in respect of which its registration is sought, it is necessary to take into account the perception of the relevant parties, that is to say in trade and or amongst average consumers of the said goods or services, who are reasonably well informed and reasonably observant and circumspect, in the territory in respect of which registration is applied...".
- 12. The services objected to in Class 41 are "Entertainment services; amusement arcades, games and amusement areas; provision of amusement facilities; operation of children's rides; consultancy, advisory and information services for all the above services." As such, when considering the average consumer, I believe that this would include the general public, but also in respect of 'consultancy and advisory services' relating to entertainment services, amusement arcades, games and amusement areas, provision of amusement facilities and operation of children's rides', I consider that the consumers of these services will be more specialised. The level of consumer attention will therefore vary depending on the customer; however, I consider it reasonable to assume that a prospective purchaser of the applicant's services would apply at least a moderate to high level of attention and circumspection when considering whether or not to purchase.
- 13. Having established that the average consumer of entertainment services, amusement arcades, games and amusement areas for example, consists of the public at large, I consider that when faced with words 'GameZone', consumers would be unlikely to undertake a rigorous mental analysis of the sign; they would instead read the words and, applying their understanding of the normal rules of English grammar, take the words at face value, and perceive nothing more than a description of the services being provided. In respect of consumers seeking advisory or consultancy services associated with the amusement and arcade industry, it may be the case that consumers enjoy a broader understanding of the trade and exercise a higher degree of attentiveness in accordance with my views expressed in paragraph 12, however, this familiarity does not, in my opinion, preclude the sign 'GameZone' from serving as a descriptor.
- 14. It was argued by Mr Furneaux at the hearing that the sign 'GameZone' was not normally used in respect of the services in question and that more apt terms exist such as 'amusement arcades' or 'play areas'. Whilst I acknowledge that it may be the case that more apposite terms exist to describe services associated with arcades and play areas, it has long been an established and accepted principle that it is not essential for a sign to exist in a given line of trade, for it to fall foul of an objection under the scope of Article 3(1)(c) on the grounds of descriptiveness (see case C-191/01P 'Doublemint' para 32).
- 15. Indeed, it must be acknowledged that even if it were accepted that expressions such as 'amusement arcade' or 'play area' were terms more apt to be used in trade to identify such services, this does not necessarily disqualify other signs from having

the capacity to serve as descriptors. I do not agree with Mr Furneaux that the existence of more applicable terminology is an impediment to a determination that the sign 'GameZone' is descriptive. The test that must be applied is to establish whether a sign is inherently descriptive and it does not matter that there may be more usual signs and indications for designating the same characteristics as the mark at hand, irrespective of whether competitors have an interest in using the sign of which the mark consists (see ECJ C-363/99 'Koninklijke KPN Nederland NV v Benelux-Merkenbureau).

- 16. As stated previously, the mark is considered to consist of two dictionary defined words which would be commonly used and widely understood by the UK consumer. I consider there to be no unusual variances as to grammar or syntax. As such, no compelling arguments exist when the normal rules of English language are applied, to support a claim of distinctiveness. In 'Postkantoor' the Court stated that:
  - 97. It is not necessary that the signs and indications composing the mark that are referred to in Art. 3(1)(c) of the Directive 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 the provision itself indicates, that those signs and indications could be used for such purposes. A word 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 (see to that effect, in relation to the identical provisions of Art. 7(1)(c) of [the Regulation] Case C-19I/01P OHIM v Wrigley [2003] ECR 1–0000, para.[32].)"
- 17. Considering the semantic structure of the sign, it is clear that it is comprised of a combination of words which *could* serve to describe a characteristic of the services and it is of course sufficient that a sign or indication could be used for such purposes for it to fall foul of an objection under Section 3(1)(c). It accepted in law that the words 'may serve in trade' can be interpreted as referring to signs which could be found to be descriptive at a future date (see, to that effect, CJEU Cases C-108/97 and C109/97 Windsurfing Chiemsee Produktions und Vertriebs GmbH v Boots and Segelzubehor Walter Huber and others). In this respect, given that the term 'GameZone' could be perceived as a descriptor, it is not unreasonable to recognise that use of this sign could become more commonplace in trade and as such should remain free for others to use.
- 18. It was also suggested at the hearing, that the word 'Zone' would be widely understood by the public as referring to a large outside area or region of land and as such would be incongruous with the concept of a small or indoor area set aside with the purpose of playing games or amusements. While the definitions referred to at the hearing are not disputed, the circumstances in which the average consumer would be exposed to the trade mark must be considered as key when seeking to establish how a sign might be perceived. In the context of the services for which protection was sought, it is reasonable to assume that the average consumer would likely be confronted with the mark within the vicinity of an area set aside with the express purpose of playing amusements or games such as and for example only, a service station on a motorway which have different and multiple zones for different purposes such as for eating, purchasing and playing games. In such circumstances, it seems unlikely that the consumer would attribute to the word 'zone', a definition which refers to large external region or parcel of land. I believe it would be far more

- likely that they would instead perceive the word, particularly when used in combination with the descriptive term 'Game', as merely informing them about a location of a specific zone, for games and amusements.
- 19. At the hearing the Mr Furneaux submitted that the mark which incorporated colour as well as words which are conjoined, could not be considered to exclusively designate a characteristic of the services. In this regard, if I maintain that the words themselves are inherently descriptive, I am obliged to consider the impact of the 'visual elements' upon the sign and the perception of the mark by the relevant consumer. Only then, can I establish if the mark exclusively designates a characteristic of the services.
- 20. In 'Spambuster' it was noted that in instances where words which are descriptive are presented in a format which encompasses elements of stylisation such as, for example, an unusual font, it may be considered that the sign merely represents those words 'in one particular manner'. It was noted by Mr Richard Arnold QC sitting as the Appointed Person that to allow such a registration would be to 'drive a coach and horses through Section 3(1)(c)' and he went on to note that:
  - 150. .... Under section 3(1)(c) the question is whether the mark propounded for registration consists exclusively of one or more descriptive signs. If it does, then registration is precluded in the public interest. If the mark is not a word per se, then the question is whether or not the visual elements take the sign out of the realm of section 3(1)(c). For the reasons I have given, I consider that this depends on whether the visual elements include something additional to the word as opposed to a representation of the word.
- 21. This approach was also noted in 'Sun Ripened Tobacco' (British American Tobacco (brands) Inc BL O/200/08) where Mr Arnold QC, again sitting as the Appointed Person commented that:
  - 10. ... In Hormel Foods Corp. v Antilles Landscape Investments NV [2005] RPC 28, I held that a mark which would be objectionable under section 3(1)(c) if it was a pure word mark does not cease to be objectionable under section 3(1)(c) if it is presented in a fancy script. I expressed the view that the position would be different if, instead of being merely presented in a fancy script, the mark contained visual elements additional to the word, such as a device, and that in those circumstances the relevant objection to consider would be that under section 3(1)(b)
- 22. I would submit that in this case, conjoining the words does not create a sign which could be considered to be more than the sum of its parts. While the words are conjoined, I believe they would still be perceived as individual verbal elements by the average consumer. This is a result of the capitalisation of the word 'Zone' which serves to create a clear and natural break between the constituent words, the distinction is even more pronounced as a consequence of the word 'Game' being presented in green. In my view, the conjoining of the words in what appears to be a standard font, is rendered inconsequential due to the capital letter 'Z' and application of colour to the word 'Game', factors which in combination, merely serve to highlight that the mark consists of two distinct dictionary words. I do not consider that the conjoining of the words and inclusion of colour are components of the mark which offset the inherent descriptiveness of the words and which would lead the consumer to perceiving the sign as an indication of origin. As such, it is my view that an objection under section 3(1)(c) is wholly appropriate.

- 23. Regarding Mr Furneax's submissions that 'zone' marks are analogous with 'World' marks and the precedents accepted for registration, support this claim, the precedents referred to include the registrations 2302784 'SHOEZONE', 2620006 'WELLBEING ZONE', 2471150 KOI ZONE and WO0000001229695 LESSON ZONE. In assessing the mark, I have carefully considered Mr Furneaux's submissions and the precedents referred to at the hearing, but it is well established that such acceptances create no binding precedent or even that they are persuasive as far as this application is concerned. This principle has been expressed as recently as decision BL O/262/18 BREXIT, see paras 9 and following.
- 24. Based on all of the above, I find that the mark applied for directly describes a characteristic of the services listed under class 41, specifically, that the term 'GameZone' merely describes a dedicated area from which the services are being rendered.
- 25. Having found that the marks are to be excluded from registration by section 3(1)(c) of the Act, that effectively ends the matter. However, in case I am found to be wrong in this decision, I will go on to determine the matter under section 3(1)(b), as an independent ground of objection.

### Section 3(1)(b)

- 26. In relation to section 3(1)(b) it was held in *Postkantoor* that:
  - "86. In particular, a word mark which is descriptive of characteristics of goods or services for the purposes of Article 3(1)(c) of the Directive is, on that account, necessarily devoid of any distinctive character with regard to the same goods or services within the meaning of Article 3(1)(b) of the Directive. A mark may nonetheless be devoid of any distinctive character in relation to goods or services for reasons other than the fact that it may be descriptive."
- 27. I approach this ground of objection on the basis of the following principles derived f from the ECJ cases referred to below:
  - an objection under Section 3(1)(b) operates independently of objections under section 3(1)(c) (*Linde AG (and others) v Deutsches Patent-und Markenamt,* Joined Cases C-53/01 to C-55/01, paragraphs 67 to 68);
  - for a mark to possess a distinctive character it must identify the product (or service) in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product (or service) from the products (or services) of other undertakings (*Linde* paragraphs 40-41 and 47);
  - a mark may be devoid of distinctive character in relation to goods or services for reasons other than the fact that it may be descriptive (Postkantoor paragraph 86);
  - a trade mark's distinctiveness is not to be considered in the abstract but rather by reference to the goods or services in respect of which registration is sought and by reference to the relevant public's perception of that mark

(Libertel Group BV v Benelux Merkenbureau, Case C-104/01 paragraphs 72-77);

- the relevant public must be deemed to be composed of the average consumer who is reasonably well-informed and reasonably observant and circumspect (*Libertel* paragraph 46 referring to Case C-342/97 *Lloyd Schuhfabrik Meyer*).
- The question arises as to whether the term may still be devoid of any distinctive 28. character under section 3(1)(b) in relation to the services at issue, even though it does not precisely designate a characteristic of the services as per section 3(1)(c). In this respect, the public interest underlying the provision for refusal of marks lacking distinctive character has been examined by the CJEU in Case C-104/01 Libertel Groep BV v Benelux-Merkenbrau [2003] (Libertel). In that case, the Court found that the public interest was "not unduly restricting the availability" of the given variety of mark for other traders. Advocate-General Jacobs, in his opinion in SAT.2, gave this further consideration and pointed out that the policy underlining CTMR Article 7(1)(b) / UKTMA section 3(1)(b) is distinct from the public interest behind CTMR Article 7(1)(c) / UKTMA Section 3(1)(c). He pointed out that "there is no obvious reason why signs which simply lack any distinctive character - even if that lack is not absolute but relates only to the goods and services concerned - should be kept free for general use unless the signs themselves also have some close relationship with the relevant products".
- 29. In my opinion, even if the mark falls short of conveying the requisite level of specificity and objectivity to support an objection under section 3(1)(c), I would nevertheless hold that it is not capable of performing the essential function of a trade mark without the relevant public being educated into seeing it that way. In my view, consumers would not consider the mark to denote that the services belong to any one specific provider because of its direct association with the services being offered. This is essentially the same objection as that under set out under section 3(1)(c). However, given the presence of the colour and conjoining of the words and as already considered in paragraphs 19-23 above, I gave some consideration to whether an objection under section 3(1)(b) (as an independent ground) was more appropriate, particularly following the finding of the Appointed Person in Coca Cola v Pepsi BL O-246-09 (ZERO). However, it seems to me that the distinction between these two provisions in that decision was based on finding the sign there was a device mark not exclusively composed of 'descriptive' elements (see paragraph 35 in ZERO). Here the mark in suit is presented in a very standard font, the addition of colour and conjoining of words when considered as a whole, amounts to no more than a description.
- 30. I should also confirm that I have given consideration to the submission that the word 'zone' especially, may have a slightly vague meaning, such that the consumer may not immediately perceive the term as being descriptive, despite my express finding under (c) above. In such a circumstance, I would wish to make a contingency finding that the perceptions and recollections of the consumer will nonetheless regard this application as being origin neutral (under section 3(1)(b) only) rather than origin specific.

#### Conclusion

31. In this decision, I carefully considered all the submissions and arguments made during proceedings and, having done so, concluded that for the reasons set out

above, the application is partially refused in respect of the services listed under Class 41 because it fails to qualify under section 3(1) (b) and/or (c) of the Act.

Dated this 23 day of August 2019

Bridget Rees For the Registrar The Comptroller-General

### **Examples of ZONE marks being used as brands**

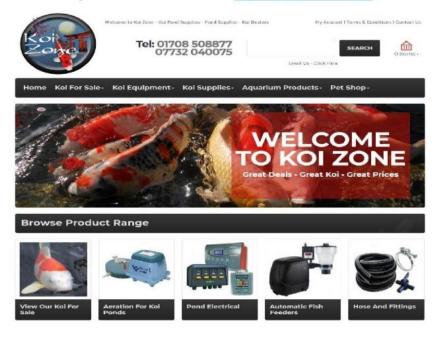
Trade mark registration no 2302784 SHOEZONE – <u>www.shoezone.com</u>



Trade mark registration no 2620006 WELLBEING ZONE http://www.yourwellbeingzone.com/



#### Registration no 2471150 KOI ZONE https://www.koi-zone.co.uk/



#### Registration no M1229695 LESSON ZONE https://www.teaching.com.au/page/mta-au-lessonzone

