

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 3722466**

**BY LOVE ENERGY SAVINGS.COM LTD**

**TO REGISTER THE FOLLOWING MARK IN IN CLASSES 35 AND 36**

**LOVE ENERGY SAVINGS**

**Background**

1. On 17<sup>th</sup> November 2021, Love Energy Savings.com Ltd (the applicant) applied to register the mark **Love Energy Savings** for the following services:

*Class 35*

*Marketing, advertising, promotional and publicity services; price comparison services; provision of on-line price comparison services; price analysis services; business management; business administration; business information services; compilation of information into computer databases; information and advisory services relating to the aforesaid services.*

*Class 36*

*Financial services; insurance services; provision of financial advice relating to the supply of energy, electricity and gas; information and advisory services relating to the aforesaid services.*

2. On 30<sup>th</sup> November 2021, the Intellectual Property Office (IPO) issued an examination report in response to the application. The examination report raised an objection under Section 3(1)(b) of the Trade Marks Act 1994 (the Act), as follows:

*Section 3(1)(b)*

*The application is not acceptable in Classes 35 and 36. There is an objection under section 3(1)(b) of the Act as the mark is devoid of any distinctive character. This is because the expression 'love energy savings' merely serves a laudatory promotional function of encouraging the consumer to love the energy savings on offer.*

3. On 31<sup>st</sup> January 2022, Wilson Gunn (the applicant's attorney) responded to the objection on behalf of the applicant. The attorney submitted that the mark was not laudatory or purely promotional and, in their opinion, the mark was distinctive. They asked that the examiner reconsider their objection. They also asked that, if the examiner was minded to maintain the objection, that a hearing should be appointed.

4. On 9<sup>th</sup> February 2022, the examiner responded to the attorney's submissions of 31<sup>st</sup> January 2022. They were not persuaded that the mark was distinctive and maintained the objection. They noted that a hearing had been requested.
5. A hearing was appointed and held with myself, acting on behalf of the Registrar, on 15<sup>th</sup> March 2022. Andrew Marsden of Wilson Gunn attended on behalf of the applicant.
6. At the hearing, Mr Marsden made a number of submissions regarding the mark. Firstly, he drew my attention to a mark that the applicant had previously applied for and which had been accepted essentially for the same services, namely registration number 3164823:



Mr Marsden explained that the applicant, having registered the above mark, now wished to strengthen their rights by registering the mark as a 'word only' mark. In his view however, he felt that the earlier mark and the word only version were very similar due to the fact that the earlier mark only had, in his words, 'slight stylisation'.

7. Further, Mr Marsden argued that the mark was not devoid of distinctive character as he felt that the word 'love' was the primary focus within the mark, as it appeared at the front of the mark. He submitted that the mark was not purely laudatory or promotional and reminded me that the mark was essentially the applicant's company name.
8. Mr Marsden also challenged the examiner's reference, in their response dated 9<sup>th</sup> February 2022, to the decision of Mr Justice Arnold in the Starbucks (HK) Ltd & Ors v British Sky Broadcasting Group plc & Ors [2012] EWHC 3074. The examiner quoted the following passage:

*Trade mark registries should be astute to this consequence of registering descriptive marks under the cover of a figurative figleaf of distinctiveness, and refuse registration of such marks in the first place*

In Mr Marsden's view the facts of that case were different to the facts of this case. He submitted that the Starbucks mark consisted of a descriptive mark with some stylisation whereas the words 'Love Energy Savings' had been deemed to be non-distinctive on the basis that the sign is laudatory and promotional.

9. I maintained the objection at hearing for all of the services listed in the application and outlined my decision by way of a hearing report dated 15<sup>th</sup> March 2022.
10. Mr Marsden had also made submissions in writing, in his response to the examiner dated 31<sup>st</sup> January 2022 regarding the incompleteness of the mark. In his view, the words did not create a complete sentence which could be considered to be grammatically correct. This was considered in my hearing report.
11. At hearing, Mr Marsden requested further time to discuss with his client the options of restricting the specification or filing evidence of acquired distinctiveness. Whilst the objection had been raised against all of the services listed in the specification, and I maintained the objection against all of those services, I agreed that I would be prepared to consider any further submissions Mr Marsden wanted to make on behalf of his client. I therefore allowed a period of two months for Mr Marsden to respond to me.
12. As a result, a deadline for response was set as 16<sup>th</sup> May 2022. As no further submissions were received within that time, a refusal letter was therefore issued on 31<sup>st</sup> May 2022. The applicant requested a statement of grounds by way of filing a form TM5 of 30<sup>th</sup> June 2022.

### **The Law**

13. 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) ...*

*(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)(b)**

14. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in

accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive and, therefore, this decision continues to make reference to the trade mark case law of the EU courts.

15. The Court of Justice of the European Union ('CJEU') has emphasised the need to interpret the grounds for refusal of registration listed in Article 3(1) of Directive 2008/95/EC ('the Directive', being the codified version of the original Directive 89/104/EEC) and Article 7(1) of Council Regulation (EC) No 207/2009 ('the Regulation', being the codified version of original Council Regulation 40/94), in the light of the general interest underlying each of them (Case C-37/03P, *Bio ID v OHIM*, para 59 and the case law cited there and, e.g. Case C-273/05P *Celltech R&D Ltd v OHIM*).
16. The general interest to be taken into account in each case must reflect different considerations according to the ground for refusal in question. In relation to section 3(1)(b) (and the equivalent provisions referred to above upon which section 3(1)(b) is based) the Court has held that "...*the public interest... is, manifestly, indissociable from the essential function of a trade mark*" (Case C-329/02P *Satelliten Fernsehen GmbH v OHIM 'SAT.1'*). The essential function thus referred to is that of guaranteeing the identity of the origin of the goods or services offered under the mark 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 (see paragraph 23 of the above mentioned judgment). Marks which are devoid of distinctive character are incapable of fulfilling that essential function. Moreover, the word 'devoid' has, in the UK at least, been paraphrased as meaning 'unpossessed of' from the perspective of the average consumer
17. Section 3(1)(b) must include within its scope those marks which, whilst not designating a characteristic of the relevant goods and services (i.e. not being necessarily descriptive), will nonetheless fail to serve the essential function of a trade mark in that they will be incapable of designating origin. In terms of assessing distinctiveness under section 3(1)(b), the CJEU provided guidance in *Koninklijke KPN Nederland NV v Benelux Merkenbureau (Postkantoor) C363/99* where, at paragraph 34, it stated:

*A trade mark's distinctiveness within the meaning of Article 3(1)(b) of the Directive must be assessed, first, by reference to those goods or services and, second, by reference to the perception of the relevant public, which consists of average consumers of the goods or services in question, who are reasonably well informed and reasonably observant and circumspect (see inter alia Joined Cases C-53/01 to C55/01 Linde and Others 5 [2003] ECR I-3161, para 41, and Case C104/01 Libertel [2003] ECR I-3793, paras 46 and 75).*

18. So, the question of a mark being devoid of any distinctive character is assessed by reference to the goods and/or services applied for, and by reference to the perception of the average consumer for those goods and/or services. I should also add that being ‘devoid of any distinctive character’ does not represent an objective standard, but is based upon an assessment which concludes that the sign presented for registration is ‘unpossessed’ of distinctive character from the perspective of the average consumer. Since, in the relevant authorities’ assessment, the sign is unpossessed of distinctive character (this has been, in turn, paraphrased as being ‘origin-neutral’ as distinct from ‘origin-specific’), the sign is not considered capable of performing the essential function of a trade mark.
19. In addition to considering the objection in respect of all of the services claimed I then need to assess whether promotional slogans can fulfil the function of a distinctive trade mark. Following from the CJEU guidance on cases such as *Sykes Enterprises v OHIM (Real People Real Solutions)* [2002] ECR II-5179, there had been a tendency to assume that promotional statements cannot possess the necessary distinctive character to indicate trade origin. This sort of assessment was based on the assumption that consumers are not in the habit of regarding slogans as trade marks, but instead regard them as purely promotional, non-distinctive material. Following the CJEU decision in *Case C398/08P Audi AG v OHIM (‘Vorsprung Durch Technik’)* we now know that this is only part of the consideration that must be made. In paragraph 44 of that decision, the Court stated:

*... while it is true... that a mark possesses distinctive character only in so far as it serves to identify the goods or services in respect of which registration is applied for as originating from a particular undertaking, it must be held that the mere fact that a mark is perceived by the relevant public as a promotional formula, and that, because of its laudatory nature, it could in principle be used by other undertakings, is not sufficient, in itself, to support the conclusion that the mark is devoid of distinctive character.*

20. It is also a well-established principle these days that the Registrar’s role in examination will involve a full and stringent examination of the facts, underlying the Registrar’s frontline role in preventing the granting of undue monopolies, see, to that effect, *CJEU Case C-51/10 P, Agencja Wydawnicza Technopol sp. z o.o. v OHIM* [2011] ECR I 1541. Whilst this case was, technically speaking, in relation only to section 3(1)(c) or its equivalent in European law, the principle about the ‘prevention of undue monopolies’ must hold good whether section 3(1)(b) and/or (c) applies.

### **Application of the Legal Principles**

21. Firstly, I must identify who the average consumer is for the services covered in the application. The specification covers a range of services in Classes 35

and 36. Some of those services are more specific in their nature, i.e. 'price comparison services' and 'provision of financial advice relating to the supply of energy, electricity and gas' but others are more broad such as 'business management' and 'financial services'. It is therefore likely that the average consumer would not be the same for all of the services covered in the application. For the 'price comparison services' for example, I would expect these to be targeted at the general public at large. However, 'business management' is more likely to be provided on a business-to-business (B-2-B) basis. The term 'financial services' could cover a wide spectrum of offerings ranging from those which are personal financial services aimed at the general public at large, or those which are aimed at a corporate customer (banking would be one such example). Therefore, depending on who the customer is, I believe that the level of attention paid to the mark may differ and in my opinion, this is likely to range between a moderate to high level of attention given the nature of the services.

22. I now have to decide whether the sign applied for, used in relation to the services claimed, would be seen as one which lacks any capacity in the prima facie to distinguish the services of one trader from those of another. I must consider the perception of the average consumer when seeing the words 'LOVE ENERGY SAVINGS' in normal and fair use in relation to the services claimed. The applicant has not made a separate plea of acquired distinctiveness.

23. Taking into account all of the services covered, I do not believe that the mark 'Love Energy Savings' would be perceived for any of them as a distinctive sign denoting origin. This is true even where the service provided may be more specialised in nature and aimed at a business consumer whose level of attention may be higher. It is my view that perception of the differing consumers of the mark would all be the same, i.e. that the mark lacks the ability to differentiate the services of the applicant from those of another undertaking. This is because in relation to all of the services claimed, although they are not all directly specified as relating to energy savings, the terms listed are so broad that they could be linked to, or could include the provision of energy savings. For example, 'marketing, advertising, promotional and publicity services' could all relate to the advertising of energy savings. Equally, the term 'business administration' may relate to the administration of an energy saving scheme. It is therefore my opinion that the perception of the consumer would be the same in respect any of the services covered by the application. In other words the services are sufficiently homogenous to be treated in the same way and I note there is no application to limit the specification in any way.

24. The mark consists of three words being 'love', 'energy' and 'savings'. The words 'energy' and 'savings' hang together in that the word 'energy' merely indicates the nature of the savings to be made. As consumers we all utilise energy services and it is a common practice to shop around so that we may enjoy 'energy savings', i.e. paying less for our energy consumption. The

consumer therefore would merely link those words to the services the applicant provides, for example, price comparison services relating to the energy sector. Mr Marsden himself submitted, in his response to the examiner dated 31<sup>st</sup> January 2021, that the words were descriptive:

*It is accepted that ENERGY SAVINGS are descriptive elements but when combined in the completed mark there is a degree of distinctiveness sufficient to overcome the objection due to the distinctiveness of the word LOVE and the unusual combination of the three words*

25. I am left then to consider whether the mark, as a whole, is distinctive in relation to the services claimed. At hearing, Mr Marsden explained that, in his view, the primary focus within the mark was the word 'love', particularly because this was placed at the very beginning of the mark. To illustrate this point, Mr Marsden drew my attention to the applicant's earlier registration (3164823) which had previously been accepted. This is referred to at paragraph 6 above, however, for ease of reference, I have included the mark below:



26. In Mr Marsden's opinion, the mark as applied for differs little to that above. However, he also explained at the hearing that the rationale for applying for the word only version was that the applicant felt that registration of such would strengthen their rights. The acceptance of the earlier mark however is not binding upon me, nor is it persuasive as the facts of the case are quite different.
27. At hearing it was submitted that the applicant's registered mark is only 'slightly stylised' and was used to support the notion that the word 'love' within the current application stands alone from the other words within the mark. I do not agree with those submissions. The word 'love' does not stand out in the current mark as it does in the earlier one, primarily due to the difference in presentation.
28. Another factor I was asked to consider was the fact that the mark substantially reflects the applicant's company name but, in my view, this is not relevant. The registration of a company name is quite separate to the system of registering a trade mark and therefore has no bearing on my decision.

29. In regards to the comments made about the examiner's use of the 'Starbucks' case to support his objection, I agree that the reference to that passage was not relevant. The word 'now' within that mark had been considered to be descriptive and the reference to the 'figurative figleaf' related to the stylisation surrounding the letter 'o' within it. The mark under consideration here however has been found to be non-distinctive rather than descriptive and it bears no stylisation.
30. Mr Marsden's further submissions, were based on the fact that the mark cannot be said to be purely laudatory or promotional. In his response to the examination report dated 31<sup>st</sup> January 2022, he argued that:

*The combination of the three words is unusual, the words do not create a complete or full sentence, slogan or phrase which is grammatically correct. For the mark to be laudatory or purely promotional additional words in the mark would be present.*

31. In my hearing report, I made reference to 'Where All Your Favourites Come Together' (BL O/573/01). In that case, Mr S. Thorley, acting as Appointed Person, determined the following:

*I have reached the conclusion in this case that when used in relation to confectionary as a whole, Mr James's submission carries weight. I believe the average consumer would see the abbreviation for the expression, "This is where all your favourites come together in one box." Had, therefore, the trade mark been applied for in respect of the description of goods for which it was originally applied for, I would have no hesitation in upholding Mr. Redmore's decision.*

32. I believe that rationale to be equally relevant when considering the sign 'Love Energy Savings'. Even if it could be said that the mark is incomplete in the sense that additional words would need to be added to make it a grammatically correct sentence, that does not automatically mean the mark is distinctive. To my mind the message conveyed to the average consumer is clear and needs no further thought in order for it to be understood. The message conveyed is that the consumer would enjoy energy savings by utilising the applicant's services, for example, by shopping for different energy providers using their price comparison services or by accessing their financial advice.
33. The mark consists of a bare string of words which hang together and are absent of any stylisation. Those words, in my opinion, are apt to send a purely promotional message to the consumer. I therefore feel that the 'Vorsprung' (C-398/08 P) decision, which I have mentioned at paragraph 19, is relevant to my considerations. That is, notwithstanding that Mr Marsden has not conceded that the mark is a slogan as such.



34. I am mindful that if a sign sends a promotional message, that is not an automatic reason to conclude it lacks distinctive character. This is confirmed in *Vorsprung*. In arriving at my decision that the mark applied for is unacceptable, I have borne in mind what is said at paragraphs 45 and 46 of that decision:

*On that point, it should be noted that the laudatory connotation of a word mark does not mean that it cannot be appropriate for the purposes of guaranteeing to consumers the origin of the goods or services which it covers. Thus, such a mark can be perceived by the relevant public both as a promotional formula and as an indication of the commercial origin of goods or services. It follows that, in so far as the public perceives the mark as an indication of that origin, the fact that the mark is at the same time understood – perhaps even primarily understood – as a promotional formula has no bearing on its distinctive character.*

*However, by the line of reasoning set out in paragraphs 42 and 43 of the present judgment, the General Court did not substantiate its finding to the effect that the mark applied for will not be perceived by the relevant public as an indication of the commercial origin of the goods and services in question; in essence, rather, it merely highlighted the fact that that mark consists of, and is understood as, a promotional formula.*

35. It is clearly not sufficient to reject a mark purely because it will be perceived by the consumer as a promotional formula. It must be found that there is nothing beyond that promotional formula in order that a mark may be found to lack the requisite distinctive character in order to enjoy registration. I have also considered the comments made by the Appointed Person in 'BRING THE WORLD CLOSER' (BL O-353-10), page 15, where the following is stated and which I consider applies to the mark in suit:

*The expression... is caught by the exclusion from registration in section 3(1)(b) because it is liable to be perceived and remembered by the relevant average consumer as nothing more than an origin-neutral statement about the [goods] concerned. It appears to me to involve no verbal manipulation or engineering of the kind which, in other cases, has been recognised as sufficient to turn explanatory phraseology into a sign possessed of a distinctive character.*

36. In my opinion, the words within the mark tell the consumer nothing more than that they will love the energy savings from utilising the services on offer. The message would be clearly understood without the need for any further thought. There is no verbal manipulation or engineering within the mark as

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mentioned in the BRING THE WORLD CLOSER case. Equally, it is my view that the mark does not contain the duality of function as discussed in the Vorsprung case, i.e. that it could be seen both as a promotional formula (even predominantly so) but also as a distinctive sign which has the capacity to function as a trade mark.

### **Conclusion**

37. For the reasons outlined above, it is my opinion that the mark 'Love Energy Savings' would be seen by the consumer as nothing more than a purely promotional message and is therefore devoid of distinctive character. My decision applies to all of the services listed in Classes 35 and 36.

**Dated this 17th day of August 2022**

**Morwenna Bell  
For the Registrar  
Comptroller-General**