

## **Absolute Grounds paper submitted by United Kingdom for SCT.**

1. Most absolute grounds objections are harmonised at EU level; that is they are the subject of a Directive which has had to be implemented by Member States. Some however are optional. The term “absolute grounds objections” has been interpreted as meaning that the mark applied for is *inherently* unregistrable or objectionable. This is in broad contrast to “relative grounds objections” which are taken to mean that someone else’s earlier or competing rights render an application unregistrable. The relevant parts of the UK Trade Marks Act 1994 read as follows:

### *The relevant UK provisions*

*1. - (1) In this Act a “trade mark” means any sign capable of being represented graphically which is capable of distinguishing goods or services of one undertaking from those of other undertakings.*

*A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.*

### *Grounds for refusal of registration*

3. - (1) *The following shall not be registered -*
  - (a) signs which do not satisfy the requirements of section 1(1),*
  - (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) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade:*

*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.*
- (2) A sign shall not be registered as a trade mark if it consists exclusively of-*
  - (a) the shape which results from the nature of the goods themselves,*
  - (b) the shape of goods which is necessary to obtain a technical result, or*
  - (c) the shape which gives substantial value to the goods.*
- (3) A trade mark shall not be registered if it is-*
  - (a) contrary to public policy or to accepted principles of morality, or*
  - (b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).*
- (4) A trade mark shall not be registered if or to the extent that its use is prohibited in the United Kingdom by any enactment or rule of law or by any provision of Community law.*
- (5) A trade mark shall not be registered in the cases specified, or referred to, in section 4 (specially protected emblems).*

*(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.*

*4. - (1) A trade mark which consists of or contains -*

- (a) the Royal arms, or any of the principal armorial bearings of the Royal arms, or any insignia or device so nearly resembling the Royal arms or any such armorial bearing as to be likely to be mistaken for them, or it,*
- (b) a representation of the Royal crown or any of the Royal flags,*
- (c) a representation of Her Majesty or any member of the Royal family, or any colourable imitation thereof, or*
- (d) words, letters or devices likely to lead persons to think that the applicant either has or recently has had Royal patronage or authorisation, shall not be registered unless it appears to the registrar that consent has been given by or on behalf of Her Majesty or, as the case may be, the relevant member of the Royal family.*

*(2) A trade mark which consists of or contains a representation of-*

- (a) the national flag of the United Kingdom (commonly known as the Union Jack),*
- or*
- (b) the flag of England, Wales, Scotland, Northern Ireland or the Isle of Man, shall not be registered if it appears to the registrar that the use of the trade mark would be misleading or grossly offensive.*
- Provision may be made by rules identifying the flags to which paragraph (b) applies.*

*(3) A trade mark shall not be registered in the cases specified in - section 57 (national emblems, &c. of Convention countries), or section 58 (emblems, &c. of certain international organisations).*

*(4) Provision may be made by rules prohibiting in such cases as may be prescribed the registration of a trade mark which consists of or contains -*

- (a) arms to which a person is entitled by virtue of a grant of arms by the Crown,*
- or*
- (b) insignia so nearly resembling such arms as to be likely to be mistaken for them, unless it appears to the registrar that consent has been given by or on behalf of that person.*

*Where such a mark is registered, nothing in this Act shall be construed as authorising its use in any way contrary to the laws of arms.*

*(5) A trade mark which consists of or contains a controlled representation within the meaning of the Olympic Symbol etc (Protection) Act 1995 shall not be registered unless it appears to the registrar -*

- (a) that the application is made by the person for the time being appointed under Section 1(2) of the Olympic Symbol etc (Protection) Act 1995 (power of Secretary of State to appoint a person as the proprietor of the Olympics Association Right),*
- or*
- (b) that consent has been given by or on behalf of the person mentioned in paragraph (a) above.*

## General remarks.

1. Section 3(1) – (3) and 4 (3) are mandatory provisions arising from the Directive; all other provisions are optional on Member States.
2. Provisions that are mandatory have been the subject of rulings at both national and European level by the supervising courts (the CFI and ECJ) and guidance has been given to the registration authorities as a result. It is important to recognise that an aspect of that guidance is that marks which may be registrable in one country or at OHIM may not be in another for eg linguistic, social and cultural reasons.
3. The guidance provided by the supervising courts is provided both in relation to direct appeals from decisions of the OHIM, and in response to references by national courts on points of law. The following is only intended to be a short summary of that guidance, which is ongoing, and in some cases unclear and thus there still remain gaps to be filled. For fuller guidance, the UK Registry publishes a Manual of Examination Practice available on our website which is updated regularly. It is only a Guide however and does not have force of law.
4. Absolute grounds objections in the UK are raised ex-officio in examination and can also be invoked in inter-partes actions both prior to registration, or after, in invalidity actions. Such objections can only be raised in respect of objectionable goods/services.

### **Section 3(1)(a) – (d) - is it a trade mark ; distinctiveness; characteristics and genericism.**

5. The grounds under sections 3(1)(a) are rarely invoked but may be, if in the abstract, the UK registry feels that a particular “sign” is simply incapable of performing the function of a trade mark under any circumstances, for any goods or service. This may be the case for example for a complete song or a whole film. Whilst these issues remain untested in the courts, the UK registry would be unlikely to accept that such complex media would have the required “impact” to function as trade marks. Lack of a suitable graphical representation would be the subject of an objection based not on section 3(1)(a) but another part of our Act.
6. The ECJ has said that marks which are free of objection under section 3(1)(b) – (d) cannot be objected to under section 3(1)(a).
7. As well as laying down strict legal principle as above, the overall contribution of the ECJ in the area of absolute grounds objections has been to require proper assessment of marks based not upon a priori or rigid rules (eg if the mark comprises a surname (“SMITH”) which appears more than 200 times in the London Telephone Directory then, a priori, it *must* be objectionable) but a more flexible approach requiring objective justification based upon specific and independent grounds of objection.
8. Having said that, it is clear that sections 3(1)(b) – (d) overlap substantially. Objections under section 3(1)(c) and (d) will also give rise to an automatic objection under 3(1)(b). However, section 3(1)(b) has an independent existence which is broader in scope than both (c) and (d). To illustrate this, section 3(1)(b)

would be used to object to, eg non-distinctive slogans, promotional matter, colours, words, shapes, or other matter which cannot necessarily be said to “designate a characteristic” under (c). For example, the slogan “Best value ever” in relation to almost any goods or service would be subject to section 3(1)(b) objection as merely promotional but not necessarily (c), as no recognisably *objective* characteristic is being designated.

9. Likewise there are many marks which are cannot necessarily be said to ‘exclusively’ designate a characteristic as they have a measure of stylisation or a device element, in addition to descriptive elements. If in the UK registries’ opinion such marks lack the necessary ‘impact’ to serve a trade mark function they will be objected to under (b) only. As will be appreciated this can involve very difficult judgment calls, but in all cases the UK registry will seek to apply a standard applicable to the relevant consumer for the goods/services. It is not the case therefore that the slightest device element or stylisation, if it is unlikely that the average consumer would notice or give it trade mark significance, would render an application registrable.
10. Marks do not have to be verbal to ‘designate a characteristic’ under (c). They can be pictorial. Nor do they have to currently designate a characteristic if it can be anticipated that in the future they will. There is much debate at the moment about phonetic equivalents or misspellings of descriptive terms; eg “Kommunikashun” would currently be registrable in the UK for communication goods or services as it is visually (but not phonetically) distinctive.
11. The precise legal boundaries between (b) and (c) are still a little unclear in this author’s mind, but this causes no huge problem as section 3(1)(b) is in effect a ‘catch all’ ground of objection.
12. The ECJ has expounded on what it considers to be the underlying public interest behind (b) and (c) objections. Somewhat controversially it has identified different “public interests” behind (b) and (c). In essence however it is the “need to keep free” for other traders which renders a mark unregistrable under (c). It is as well that the underlying public interest is born in mind when making objections.
13. Marks do not have to be ‘novel’ or ‘inventive’ to be registrable, but inevitably marks which are, eg linguistically unusual (“Baby-Dry” for nappies), elliptical or evocative without being descriptive have a better chance of being registered. A combination of descriptive terms may be more than the sum of the parts eg the term ‘LOCKTHREAD’ may be registrable for nuts and bolts even though the
14. Section 3(1)(d) is rarely invoked but could in theory overlap in scope with (c) and definitely (b). It is only invoked if there is good evidence that certain phrases or words have become “customary” in the language of the trade. The word ‘customary’ suggests that isolated references, particularly in a non trading context would not suffice to constitute an objection.

### **Section 3(2) - shapes**

15. Given the somewhat restrictive wording of these grounds: “resulting from”, “necessary to obtain” and “substantial value”, it is not surprising they are rarely invoked these days in the UK. The ECJ and CFI have expounded on the

grounds in two significant cases – one involving a three headed electric shaver and the other involving a toy brick. Whilst some commentators feel that the exclusions are broader in scope than equivalent designs legislation (ie that an application for a registered design will only be excluded if it represents the *only* means of performing a technical function, whereas a TM application may be excluded if it is *one* of the means), nevertheless these provisions remain uncertain in their precise application. A useful example of the difficulties in applying these provisions in the UK can be found in the Stressless Chair case (BL O/017/06), in which the appellate court found that the chair shape was at least as much aesthetic as functional, and therefore avoided the objection. The mere fact that the subject of a trade mark application was a patent or design does not give rise automatically to these grounds of objection.

16. The provision clearly performs a public interest but for as long as much broader and easier to sustain grounds of objection exist (section 3(1)(b) notably), registration authorities and opponents are likely to use broader based objections.

### **Section 3(3) – public policy/ deceptiveness**

17. The authorities in the UK interpret the public policy and morality grounds of objection in quite a restrictive way, meaning that they have to be balanced against commercial free speech. Applications must comprise or contain matter which is “seriously troubling or offensive” (not necessarily to the majority of people) before they can be refused. Mere vulgarity is not enough. So, for example, offensive and undisguised swear words, inappropriate religious or racial matter and the promotion of illegal acts would all constitute grounds under which section 3(3)(a) can be invoked. The name JESUS, which in the UK is not a common forename, has been refused registration for clothing, but FCUK has been considered registrable. The circumstances under which goods or services bearing the mark are traded or used (ie in public shops or internet sites) may be a factor in the overall assessment but it is unlikely to be determinative.
18. The second ground of objection under section 3(3) relates to marks which are deceptive. In this regard there must be something in the mark which carries with it some “cache” or is otherwise likely to affect a consumer’s economic behaviour. In other words material which imparts a direct and objective statement as to nature, quality or origin of goods/services sold under the mark which is apt to mislead if untrue. So, if the mark contains the word “cotton” and is for clothing, or contains the word “organic” and is for foods, then the UK registry may require that applicant limit the goods or service appropriately, ie “clothing all being cotton”. It is important however that there is a sense of proportion in the application of this provision. The mark “HARTLEY’S Strawberry Jam” in reality would and could only ever be used in relation to “strawberry jam”, and so an objection would not be raised to a specification which contains ‘jam’ at large.

### **Section 3(4) - illegal**

19. This is an optional ground under the Directive and is invoked for example where the mark applied for contains or comprises a Protected Geographical Indication (PGI) or Protected Designation of Origin (PDO). Both species of protection exist at EU level. Assuming there is other registrable matter in the mark the objection

can be overcome by limiting the specification; ie wines entitled to the PGO “Champagne”.

20. The section may also be invoked against marks whose use is prevented by domestic legislation, eg RED CROSS.
21. In both cases the use of such marks is made illegal by law *other* than trade mark specific law.

### **Section 3(5) – specially protected emblems and signs**

22. This in turn refers to specially protected emblems covered by section 4. These include Royal emblems, Olympic symbols, coats of arms and Art 6 ter marks. It may be noted by the SCT that INNs are not specifically catered for in sections 3(5) or 4. Objection to a mark which comprises or contains an INN (including stem) would thus be taken under either section 3(1)(b) (non-distinctive), or section 3(3)(b) resulting in a limitation in the specification.

### **Section 3(6) – bad faith**

23. So far, the supervising courts of the ECJ and CFI have not expounded on the scope or application of the ‘bad faith’ objection and it is difficult, if not impossible, to codify all the circumstances in which it would apply. In general it is not a provision which is invoked *ex officio* and tends to be the subject of oppositions which have the benefit of full argument and evidence. The appellate authorities in the UK have said that, pending any detailed consideration at the ECJ or CFI level, ‘bad faith’ should be interpreted as conferring no legitimacy on “improper behaviour”. The perpetrator does not have to believe that his or her actions are improper and so it is, in part at least, an objective test. Improper behaviour may eg be breach of contract, absence of intention to use, intent to take unfair advantage of registration.

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