

**IN THE HEARINGS AND MEDIATION DIVISION OF
THE INTELLECTUAL PROPERTY OFFICE OF SINGAPORE
REPUBLIC OF SINGAPORE**

Trade Mark Application No. T0809900J
13 July 2010

**IN THE MATTER OF A TRADE MARK APPLICATION BY

CITY DEVELOPMENTS LIMITED**

Hearing Officer: Ms Tan Mei Lin
Principal Assistant Registrar of Trade Marks

Ms Yew Woon Chooi (Rodyk & Davidson LLP) for the Applicants

Cur Adv Vult

GROUND OF DECISION

1 On 25 July 2008, City Developments Limited (“the Applicants”) applied to register the following trade mark:

5-STAR EHS

in respect of 2 classes. In class 42, the application was for "Quality audits; technical advice and research relating to safety; consultancy in relation to occupational health and safety; safety evaluation; conducting surveys, environmental surveys;

environmental hazard assessment, environmental consultancy services; measuring the environment within buildings; advisory services relating to the safety of the environment; technical inspection services; technological research for the building construction industry; building inspection services; all included in Class 42". In class 45, the application was for "Facilities management, namely contract management, health and safety inspection and security; inspection of buildings for safety purposes; safety evaluation; consultancy services relating to health and safety; project studies relating to health and safety; safety services; security assessment of risks; all included in Class 45".

2 The examiner examining the applications raised an objection that the mark is objectionable under Sections 7(1)(b) and 7(1)(c) of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("the Act") on the basis that the mark consists exclusively of indications which designate the kind and quality of the services, as 5-STAR is synonymous with quality and EHS is a common abbreviation for "environment, health and safety". The examiner further raised some objections on the specification of services but these objections have been resolved with the Applicants' agreement to amend the item "building inspection services" in Class 42 to "building inspection services [surveying]" and deleting the item "safety evaluation" in Class 45 once the objections against the mark have been overcome.

3 The Applicants filed evidence of use and submissions that the mark is not objectionable under those sections but the examiner maintained her objections. Thereafter, the Applicants requested for an ex parte hearing to make arguments and the matter was heard before me on 13 July 2010. The decision of the examiner was maintained and a decision (without grounds) was sent to the Applicants on 14 July 2010. The Applicants requested the grounds of the decision on 4 August 2010. At the same time the Applicants also lodged further evidence of use of the mark in the form of 2 of their own publications which I shall admit as part of the evidence. The Applicants indicated that they would withdraw their request for the grounds of decision if the case of acquired distinctiveness is accepted in light of the new evidence lodged but since I am still not satisfied that such a case has been made out, I am now writing the grounds of decision.

The law

4 Section 7(1) of the Act states as follows:

“7.-(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; and

(d)

(2) A trade mark shall not be refused registration by virtue of subsection (1) (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.”

Relevant authorities – general principles

5 The European Court of Justice (ECJ) has repeatedly emphasised the need to interpret these grounds for refusal of registration in the light of the general interest underlying each of them (*Bio ID v OHIM* Case C-37/03P and the case law cited there and, more recently, *Celltech R&D Ltd v OHIM* Case C-273/05P).

6 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 7(1)(b) the Court has held that “...the public interest ... is, manifestly, indissociable from the essential function of a trade mark” (*SAT.1 SatellitenFernsehen GmbH v OHIM* Case C-329/02P). 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. Section 7(1)(c) on the other hand pursues an aim which reflects the public interest in ensuring that descriptive signs or indications may be freely used by all – *Wm Wrigley Jr v OHIM* (Doublemint) C-191/01P paragraph 31.

7 In terms of the relationship as between Sections 7(1)(b) and (c), a mark which is subject to objection under Section 7(1)(c) as designating a characteristic of the relevant goods or services will, of necessity, also be devoid of distinctive character under Section 7(1)(b) – see to that effect *Koninklijke KPN Nederland NV v Benelux – Merkenbureau* (Postkantoor) Case C-363/99 paragraph 86. But plainly, and given the public interest behind the two provisions, they must be assessed independently of each other as their scope is different, that is to say that Section 7(1)(b) will include within its scope marks which, whilst not designating a characteristic of the relevant goods and services, will nonetheless fail to serve the essential function of a trade mark in that they will be incapable of designating origin.

8 The factors which must be considered when applying these two provisions of the Act are set out below. In relation to Section 7(1)(c):

a. 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 – *Doublemint* paragraph 30;

b. 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 category of goods and services in question or one of their characteristics – *Ford Motor Co v OHIM* Case T-67/07;

c. a sign's descriptiveness may only be assessed, first, in relation to the goods or services concerned and, secondly, in relation to the perception of the target public, which is composed of the consumers of those goods or services – ***Ford Motor Co v OHIM***;

d. it is irrelevant whether there are other, more usual signs or indications designating the same characteristics of the goods or services. The word “exclusively” in Section 7(1)(c) is not to be interpreted as meaning that the sign or indication should be the only way of designating the characteristic(s) in question – ***Postkantoor*** paragraph 57;

e. it is in principle irrelevant whether the characteristics of the goods or services which may be the subject of the description are commercially essential or merely ancillary – ***Postkantoor*** paragraph 102.

9 With regard to s. 7(1)(b), the main guiding principles derived from the cases noted below are:

a. an objection under Section 7(1)(b) operates independently of objections under Section 7(1)(c) – ***Linde AG (and others) v Deutsches Patent-und Markenamt*** Joined Cases C-53/01 to C-55/01, paragraphs 67 to 68;

b. 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;

c. 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;

d. 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;

e. 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 *Lloyd Schuhfabrik Meyer* Case C-342/97.

10 It is clear from these principles that descriptiveness of a mark, if any, and distinctiveness of a mark must be assessed, whether under Section 7(1)(c) or Section 7(1)(b), by reference to the goods and services applied for and, secondly, according to the perception of the average consumer for those goods or services. The services claimed by the Applicants are in classes 42 and 45 and include, among others, quality audits, technical advice and research relating to safety, health and safety inspection and inspection of buildings for safety purposes. I am of the view that we are concerned with a specialist average consumer here and not the general public. I keep this finding in mind as I proceed with this decision.

Section 7(1)(c)

11 The mark in question is 5-STAR EHS. The Applicants are not disputing that the term EHS is an abbreviation for "environment, health & safety" and is a known term in the industry. However, it is the Applicants' case that the term 5-STAR EHS as a whole has no meaning. The Applicants acknowledge that while the term 5-STAR denotes quality in relation to some services such as hotel services and restaurant services, in relation to audit and assessment services, the term is not descriptive and not devoid of distinctive character.

12 I do not agree that 5-STAR is not normally used in relation to audit and assessment services. In fact, I find that it is common for audit and assessment scores to be translated into a star rating which usually ranges from one to five, with five representing the highest standard. Examples of such use found on the Internet include the following:

a. British Safety Council's Five Star Environmental Audit (<http://www.britsafe.org/audit/fshas.aspx>) - British Safety Council's website states "By reviewing the health and safety performance of your business, from the management of H&S through to the implementation of associated systems in the workplace, an overall numerical score of your performance can be determined. This then determines how many stars an organisation is awarded."

b. Safety Projects International Inc's Five Star Health & Safety Management System (<http://www.spi5star.com/fivestarsystem.asp>) - Safety Projects International Inc's website states "Initial grading takes place around six months after launching the program. Subsequent annual visits and audits continue until your organization has achieved the maximum 5-Star Health & Safety Status. Each grading stands for one year. Your organization must therefore maintain its standards in order to retain its star grading status."

13 The mark 5-STAR EHS as a whole therefore simply describes the highest rating attainable under the Applicants' EHS audit services. This is borne out by the evidence lodged by the Applicants, in particular, paragraph 4 of BCA's Press Release, where it is stated that contractors audited by the Applicants are indeed graded on a scale of 1 to 5 stars. With this in mind, it follows that the mark 5-STAR EHS describes a characteristic of the services and is therefore excluded from prima facie registration under Section 7(1)(c) of the Act.

14 Further, I am of the view that even if 5-STAR is not used literally to describe the maximum star rating which can be attained using the Applicants' EHS audit services, it is still a term which is commonly used in the service industries and, in particular, in the audit and assessments services industries, to indicate quality or excellence. On this point, I draw support from the UK IP Office's Addendum to Trade Marks Registry Examination and Practice Guide which states that the term 5 STAR / FIVE STAR is "widely used in relation to services and is open to objection as it has a laudatory signification."

15 In the context of the services applied for, the meaning of the term 5-STAR EHS will be perceived by the average consumer either as an indication that the

Applicants themselves provide quality EHS audit and assessment services or that the Applicants audit organizations and assesses these organizations for compliance with good EHS practices. The mark is therefore not able to function as a badge of origin without first educating the public that it is a trade mark.

16 Consequently, I have concluded that the mark applied for consists exclusively of signs which may serve, in trade, to designate the kind of services and is, therefore, excluded from registration by Section 7(1)(c) of the Act.

17 Having found that this mark is to be excluded from registration by Section 7(1)(c) of the Act, that effectively ends the matter, but in case I am found to be wrong in this decision, I will go on to determine the matter under Section 7(1)(b) of the Act.

Section 7(1)(b)

18 The test to be applied under Section 7(1)(b) is not whether the mark, in its totality, is a combination which is used in common parlance to describe the services applied for but whether the mark, again in its totality, is devoid of any distinctive character. The whole purpose of Section 7(1)(b) of the Act is to prohibit registration of signs which, although not caught by the clear parameters set out by Sections 7(1)(c) and (d) of the Act are, nevertheless, incapable of distinguishing the goods and services of one undertaking from those of other undertakings.

19 It seems to me that when an average consumer of the services encounters the mark 5-STAR EHS, he will perceive it as no more than an indication of a characteristic of the audit and assessment services provided by the Applicants, namely indicating either of the following:

- a. That the highest rating attainable under the Applicants' EHS audit services is 5-STAR;
- b. That the Applicants themselves provide quality EHS audit and assessment services; or

c. That the Applicants audit organizations and assesses these organizations for compliance with good EHS practices.

For this reason, the mark would not convey a trade mark message to the average consumer of these services.

20 I am not persuaded that the mark 5-STAR EHS in totality is distinctive in that it would serve in trade to distinguish the Applicants' services from those of other traders. In my view the mark applied for will not be identified as a trade mark without first educating the public that it is one. I therefore conclude that the mark applied for is devoid of any distinctive character and is thus excluded from prima facie acceptance under Section 7(1)(b) of the Act.

Precedents from Singapore

21 The Applicants have referred me to several registrations in Singapore which contain or consist of 5 STAR or FIVE STAR and have suggested that this shows 5-STAR is registrable despite the fact that they may denote quality in certain industries.

22 I do not find the precedents persuasive as the marks are very different from the one under consideration. Three out of five of the registrations include highly stylized and distinctive devices in addition to 5 STAR or FIVE STAR and for this reason would not be objectionable either under Section 7(1)(b) or Section 7(1)(c). The fourth registration is for the number "5" with a star device embedded within it while the last registration is for the words "FIVE STAR" alone without any device or stylization. These last 2 registrations are in the goods class, namely, Class 3 for "Abrasive compounds" and this distinguishes it from the case at hand.

23 I therefore find these prior registrations of little assistance in determining the outcome of this application.

24 Further, it is trite law that in considering a particular mark tendered for registration, comparison with other marks on the register is irrelevant. I draw support

for this from the judgment of Jacob J in *British Sugar* [1996] R.P.C. 281 at 305 where he stated:

“Both sides invited me to have regard to the state of the register. Some traders have registered marks consisting of or incorporating the word “Treat”. I do not think this assists the factual enquiry one way or the other, save perhaps to confirm that this is the sort of word in which traders would like a monopoly. In particular the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led the registrar to put the marks concerned on the register. It has long been held under the old Act that comparison with other marks on the register is in principle irrelevant when considering a particular mark tendered for registration, see *e.g. MADAME Trade Mark* and the same must be true under the 1994 Act. I disregard the state of the register evidence.”

25 For this same reason, I have disregarded the other marks on the Singapore register which the Applicants have tendered before me.

Precedents from the UK

26 The Applicants have further referred me to several registrations in the UK which contain or consists of 5-STAR or other terms denoting quality. For the same reasons that I do not find it useful to look at the marks in the Singapore register, I also do not find it useful to look at the UK register.

Disclaimer

27 In order to persuade me to accept their mark, the Applicants have offered to disclaim the words "5-STAR" and "EHS" separately, which means that the Applicants only get protection for the use of the combination 5-STAR EHS. I do not find this acceptable as a means of overcoming the objection, as the mark as a whole remains descriptive and / or is insufficiently distinctive to be able to act as an indication of sole trade origin.

The case for registration based on acquired distinctiveness

28 I now turn to the case for registration based on acquired distinctiveness. The question to be determined here is whether, through the use made of it, the sign applied for has acquired a distinctive character in respect of the services contained within the specification as filed on the form of application.

29 It is well established that this question must be asked through the eyes of the average consumer who is reasonably well informed and reasonably observant and circumspect (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV* Case C-342/97 [1999] ECR I-3830 paragraph 26). In *Windsurfing Chiemsee* Case C108 & 109/97 [1999] ETMR 585, the European Court of Justice said:

“In assessing the distinctive character of a mark in respect of which registration has been applied for, the following may also be taken into account: the market share held by the mark; how intensive, geographically widespread and longstanding use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant class of persons who, because of the mark, identify goods as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations” (paragraph 51).

30 It is also well established that use does not necessarily equate with distinctiveness. As Morritt L.J. put it in *Bach Flower Remedies Ltd v Healing Herbs Ltd* [2000] RPC 513:

".....use of a mark does not prove that the mark is distinctive. Increased use, of itself, does not do so either. The use and increased use must be in a distinctive sense to have materiality.”

31 The Applicants have referred me to the Statutory Declaration of Ang Aik Leng dated 7 September 2009 as evidence showing acquired distinctiveness of the mark.

32 I note from the Statutory Declaration that the Applicants' audit services are offered only to contractors working on the Applicants' real estate developments. It is not a service that is provided to all construction companies in Singapore. By virtue of this fact the Applicants' market share is somewhat restricted.

33 The Applicants have not indicated in the Statutory Declaration how many construction companies have gone through their audit system. Instead, it is their submission that the value of the construction projects in which the audit scheme has been implemented is a good gauge of how widely the trade mark is used. However, I cannot see any connection between the value of the construction projects and the market share held by the mark. The fact that the Applicants have audited construction projects of high value does not necessarily mean that the Applicants' mark is known to a greater proportion of the market.

34 I note that Exhibit A of the Statutory Declaration contains random copies of invoices of auditing firms for the years 2003 – 2008. The name of the construction company which has been audited is stated on the invoice and this gives some indication of the number of construction companies that have gone through the audit system during those years. I notice that there is a high degree of repetition in the construction companies that have been audited over the 5 years that the mark has been used. This fact again shows that the Applicants market share is restricted.

35 On promotion of the mark, the Applicants have acknowledged that they do not market the mark in the same way that companies market their goods. Presumably it is for this reason that they have not lodged any advertisements showing promotion of the mark or brochures showing use of the mark.

36 The Applicants submit that they do promote the trade mark through their publication, City News, which is a quarterly newsletter produced by the Applicants and circulated to customers, business associates, investors and other stakeholders. However I am unable to conclude from this evidence that by virtue of this form of promotion the relevant class of persons, or at least a significant proportion thereof, identifies the services as originating from a particular undertaking because of 5-STAR

EHS. I am not even sure of the extent the publication has been circulated to the average consumer of these services.

37 The Applicants have also tried to convince me that their audit system is well known in the industry by lodging:

- a. Speech by Acting Minister for Manpower at the Workplace Safety and Health Awards 2008;
- b. Address by Commissioner for Workplace Safety & Health at the 5th Annual CDL 5-Star Environment Health & Safety Awards Presentation;
- c. BCA's Press Release announcing the Applicants as the first private sector developer in Singapore to obtain ISO 14000 and OHSMS Certification;
- d. Curriculum Vitae of Mr Chia Ngiang Hong, the Applicants Group General Manager and Deputy Chairman, WSH Council (Construction & Landscape) Committee.

I am of the view that whether or not the Applicants' audit system is well known in the industry is irrelevant to the issue at hand, which is, whether the mark applied for is known and whether the *nature* of use is such as to have educated the average consumer to regard the mark as an indication of trade source of the services.

38 On the issue whether the mark applied for is known and whether the *nature* of use is such as to have educated the average consumer to regard the mark as an indication of trade source of the goods, I note that the mark is always used in conjunction with CDL. This is apparent from the Applicants' publication, City News and the press releases and other evidence shown in Exhibit B of the Statutory Declaration. The words 5-STAR EHS alone are never relied on by the trade or the Applicants to identify the services.

39 I am aware that this fact by itself is not decisive. The distinctive character of a trade mark may be acquired in consequence of the use of that mark as part of or in

conjunction with a registered trade mark. The question is therefore whether the evidence of use shows that the mark 5-STAR EHS on its own is able to identify the services as originating from the Applicants? I am of the view that the evidence is insufficient to show that the mark 5-STAR EHS has reached a point that, if consumers are told or shown the mark 5-STAR EHS, a substantial number of them would respond in a manner that shows that they identify the services as originating from the Applicants.

40 Having gone through all the evidence lodged before me carefully, I am of the opinion that there is insufficient evidence showing, and for me to make a finding, that the mark applied for, 5-STAR EHS, has acquired distinctiveness. This is because:

- a. The Applicants' market share is limited and therefore not large;
- b. There is not much promotion of the mark;
- c. The mark has been used for a period of 5 years which is not long enough to compensate for the lack of promotion of the mark and small market share enjoyed by the mark;
- d. The *nature* of use does not show that the Applicants have educated the average consumer to regard the mark 5 STAR EHS as an indication of trade source of the services.

41 On 4 August 2010, the Applicants lodged further evidence showing use of the mark in the form of 2 of their own publications:

- a. City News, a quarterly publication by the Applicants dated April 2010
- b. City Developments Limited Sustainability Report 2010

These evidence show use of the mark after the date of application for registration and are not useful in the determination of whether, before the date of application for

registration, the mark has in fact acquired a distinctive character as a result of the use made of it.

42 In light of the above reasons, Trade Mark Application No. T0809900J is refused.

Dated this 4th day of October 2010

Tan Mei Lin
Principal Assistant Registrar of Trade Marks
Registry of Trade Mark
Intellectual Property Office of Singapore