Intellectual Property Office of Singapore Case Summary: Chicago Mercantile Exchange Inc. v Intercontinental Exchange Holdings, Inc. [2018] SGIPOS 20

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Intercontinental Exchange Holdings Inc (ICE) is the registered proprietor of the trade marks "BRENT" and "BRENT INDEX", registered in July 2015 for a range of financial services including futures and options trading and the provision of financial and market data.

ICE, a Fortune 500 company, operates a number of leading exchanges such as the New York Stock Exchange and ICE Futures Europe (formerly known as the International Petroleum Exchange) and offers a broad range of trading, clearing and risk management services in relation to regulated futures and over-the-counter markets, including the provision of a variety of market information on historical and real-time prices, indexes and ticker-data.

Chicago Mercantile Exchange (CME) applied to invalidate both trade mark registrations on the grounds that, as at the date they were applied for in July 2015, they were, for the average consumer of financial services, devoid of the distinctive character required of a trade mark, were descriptive of characteristics of those services and/or were commonly-used terms in the relevant trade; under, respectively, Sections 7(1)(b), 7(1)(c) and 7(1)(d) of the Trade Marks Act.

The IP Adjudicator, Prof David Llewelyn, decided the relevant average consumers are financial services professionals and investment-savvy individuals, in Singapore, and it is through their eyes and ears that the grounds of invalidity relied on by CME must be judged. This is not a case in which the views and understanding of the man and woman on the MRT is the requisite standard.

The evidence showed that:

(i) Since around the late 1960s/early 1970s, the term "Brent" has been used to refer to a particular type of light and sweet crude oil with specific characteristics, extracted from the North Sea. In the early years of the development of the North Sea oilfields in the 1960s, the term "Brent" was chosen to describe such crude oil by the Shell Oil Company in line with its policy of naming oilfields after birds (in this instance, the brent goose). "Brent blend" refers to crude oil with specific physical and chemical characteristics and coming from the Brent, Forties, Oseberg and Ekofisk (BFOE) oilfields in the North Sea. Brent blend makes up nearly half of the internationally-traded supply of crude oil.

(ii) In addition to its use in the physical crude oil market, "Brent" is a leading internationally-recognised benchmark for oil prices (along with *inter alia* West Texas Intermediate, Bonny Light, Dubai and Oman).

As such, the price of "Brent" is the base price against which many derivative financial products are developed, priced, marketed and traded. Such products include crude oil futures, crude oil forwards, crude oil options and oil/petroleum product swaps, all of which derive their pricing and fluctuating value from the benchmark price of Brent crude. A significant number of examples of use of BRENT in such a descriptive sense, both in Parliament and in the local media, were submitted by CME in support of its applications for invalidity.

In response to the argument put forward by ICE to justify its registrations that it is the sole provider of "BRENT" pricing information and since 1 April 2015 has been regulated in doing so by the UK's Financial Conduct Authority, it was noted by the IP Adjudicator that:

> "this does not lead inexorably to the conclusion that 'Brent' is a registrable trade mark or, if registered, is validly so. For example, if a regulated body is the only one that issues information on, say, the Singapore real estate market that does not make the words SINGAPORE REAL ESTATE registrable by that body as a trade mark for financial services: they are devoid of distinctive character, exclusively descriptive and generic and therefore would not be registered by reason of Section 7(1)(b), (c) and (d) of the Act. Other honest traders are likely to want to use the words 'Singapore real estate' and they should not be forced to rely on a defence under the Act in order to do so."

The IP Adjudicator also noted in relation to "BRENT INDEX" that:

> "It is self-evident that certain trade marks for financial indexes are registrable as trade marks for financial services as they are not exclusively descriptive of such services (or devoid of distinctive character or generic). Examples would include STRAITS TIMES INDEX, DOW JONES INDUSTRIAL AVERAGE, FTSE 100 INDEX or NIKKEI INDEX, where the inclusion of the distinctive word(s) or acronym 'Straits Times', 'Dow Jones', 'FTSE' (for

Financial Times Stock Exchange) and 'Nikkei' makes registrable its combination with the descriptive word(s) 'index' (or 'industrial average')."

However, he proceeded to explain that, for example, 'Stock Market Index', 'Consumer Price Index' and 'Producer Price Index' are purely descriptive and could not be registered as trade marks for financial services. Also, if it were the case that the latter indices are provided exclusively by a particular entity, this would make no difference: they would remain unregistrable as trade marks.

Thus, on the alleged invalidity of the "BRENT INDEX" registration, it was held that the average consumer of the relevant services in Singapore, i.e. financial services professionals and investment-savvy individuals, could not fail to be informed immediately by its use of the intended purpose and nature of the particular financial services. This is the exact opposite of what is necessary in order to be a registered trade mark.

On the basis of the evidence submitted by CME, the IP Adjudicator held that at the time of application, the "BRENT" and "BRENT INDEX" trade marks were (a) devoid of any distinctive character, (b) exclusively descriptive of the financial services for which they were registered and (c) were customary terms used by those trading and otherwise dealing with financial derivatives connected with or directly or indirectly related to the oil and oil-products markets to describe a sweet crude oil with a particular geographical origin. Therefore, neither trade mark was properly registered and, as ICE was unable to satisfy the heavy burden of showing that the two trade marks, or either of them, had acquired distinctive character as indications of trade origin since the date of registration, their registrations are deemed never to have been made.

Disclaimer: The above is provided to assist in the understanding of the Registrar's grounds of decision. It is not intended to be a substitute for the reasons of the Registrar. The full grounds of decision can be found at https://www.ipos.gov.sg/docs/default-source/resources-library/hearings-and-mediation/legal-decisions/2018/chicago-mercantile-exchange-v-intercontinental-exchange-holdings-2018-sgipos-20.pdf*.*