

The Registrability of the Trademark Consisting of an Acronym

A recent English decision found that a trademark consisting of three letters, which were an acronym for a descriptive term, was invalid.

The Facts

Since the 1980's a number of organizations in the United Kingdom have been set up to encourage the development of routes to higher education for adults. The organizations are known as "Open College Networks" and operate in specific regions of the United Kingdom.

In 1987 a national body was set up to coordinate the activities of the local organizations. This entity was given the name National Open College Network and it was registered as a charity. The vast majority of Open College Networks were affiliated with this entity by way of membership agreements. National Open College Network subsequently changed its name to NOCN.

Open College Network Credit 4Learning ("Open College") is an Open College Network. Open College entered into a membership agreement with NOCN but following disagreements the membership agreement came to an end.

NOCN owns registered trademarks for:

- a) The letters OCN and NOCN;
- b) 10 registrations consisting of designs of which the design set out below is representative:



(collectively the “Swoosh Marks”)

After the expiration of its membership Open College continued to use the business name OCN and the following trademark (the “Defendant’s Logo”):



NOCN objected to Open College’s use of the name OCN and the Defendant’s Logo after the expiration of the membership agreement.

NOCN brought proceedings for infringement and passing-off against Open College. The parties were unable to resolve their respective claims and the action proceeded to trial.

The Decision

Open College, by way of defence, asserted that NOCN did not own the goodwill associated with a trademark OCN. The trial judge agreed with Open College since he did not accept that goodwill ever subsisted in the letters OCN standing by themselves. The letters were an inevitable abbreviation of the term “Open College Network”. As a result, they were and remain entirely descriptive and the OCN mark was not valid.

While NOCN had built up goodwill it could not be attached to a purely descriptive term. However, goodwill was associated with the letters NOCN and other badges of origin used by NOCN.

There was no challenge to the validity of the NOCN mark. With respect to its infringement the only element that was common was the descriptive acronym OCN and as a result, the judge found that the defendant did not infringe the NOCN mark.

The Swoosh Marks were in a different category. The judge found that the Swoosh Marks were infringed by the use of the Defendant's Logo. There was an overlap between the services provided and substantial visual similarity between the respective marks. As a result the plaintiff succeeded on this part of its claim.

For the same reasons, the judge found that the use of the Defendant's Logo constituted a misrepresentation that the defendant was associated in the course of its trade with the plaintiff. As a result, the plaintiff's case for passing-off succeeded with respect to the use of the Defendant's Logo.

The Canadian Position

Section 12(1)(b) of the Canadian *Trademarks Act* provides that a trademark is not registrable if whether depicted, written or sounded it is either clearly descriptive or deceptively misdescriptive in the English or French language of the character or quality of the goods or services in association with which it is used or proposed to be used.

In a recent decision of the Federal Court an approach similar to that set out in the English case was taken. In the Canadian case it was observed that the relevant perspective for determining whether a mark is clearly descriptive is that of an everyday user of the services. The judge concluded, on applying this perspective, that the

meaning of the acronyms in issue was readily apparent to consumers and clearly descriptive.

Conclusion

It seems that if an everyday user of goods or services would perceive the acronym in issue as a clear abbreviation of a descriptive term there are concerns about the registrability of the acronym under the *Trademarks Act*.

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These comments are of a general nature and not intended to provide legal advice as individual situations will differ and should be discussed with a lawyer.