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IN THE MATTER OF THE TRADE MARKS ACT CAP 506 OF THE LAWS OF KENYA

AND

**IN THE MATTER OF TRADE MARK APPLICATION NO. 118164 “Spark’ By Absa”
(WORD) IN CLASS 36 IN THE NAME OF ABSA BANK LIMITED**

RULING BY ASSISTANT REGISTRAR OF TRADE MARKS

PROCEDURAL BACKGROUND

On 7th July, 2021, Absa Bank Limited, (hereinafter referred to as “the Applicant”) filed an application to register the mark “Spark’ By Absa”, T.M.A No. 118164. The application was filed in respect to services in class 36 of the International Classification of Goods and Services.

The application was duly examined in accordance with the provisions of the Trade Marks Act, Cap 506 of the Laws of Kenya. By a report dated 27th September 2021 the Trade Marks Examiner requested the Applicant to disclaim the right to the exclusive use of the word “Spark” separately and apart from the mark as a whole before the same could be allowed to proceed to publication. Through a subsequent examination report dated 27th April 2022, the Applicant was informed why the disclaimer was necessary. The report also stated that the word “Spark” may also mean “Stimulus” or “Incentive” and that there are other marks comprising the word “Spark”, being: T.M. No. 85453 - “Safaricom Spark Venture Fund” and T.M. No. 93163 - “Spark Possibilities”.

On 22nd December 2021, the Applicant filed written submissions against the Examiner’s report dated 27th September 2021 and on 8th August 2022, the Applicant filed written submissions in response to the Examiner’s report dated 27th April, 2022. In their submissions they stated as follows:

THAT the Applicant is listed on the Johannesburg Stock Exchange (JSE) in South Africa and is one of Africa's largest diversified financial services groups with a presence in 12 countries across the continent and it employs around 42,000 people Across Africa.

THAT the current mark is linked to a new bank account that lives outside the traditional bank branch and is available on your phone and is aimed at convenience banking.

THAT the Applicant has filed the candidate mark in a number of other African territories, some of which have already been accepted and have proceeded to publication or registration (where applicable) without the required disclaimer. That in Botswana (accepted), Mauritius (registered), Mozambique (registered), Seychelles (published), Uganda (published- classes 9 and 16) and Zanzibar (registered).

The Applicant referred to Sections 17 and 12 of the of the Trade Marks Act, Cap 506 Laws of Kenya.

THAT the Applicant's trade mark application has been applied in respect of the following services; class 36: "Financial, monetary and banking services; insurance services; real estate affairs".

THAT the services sought to be covered by the application in class 36 are not directly connected or associated with a "Spark". To try and question the inherent quality of the mark would mean inserting an abstract view of the meaning of "Spark" into what is suggested by the product or quality of the product which is not evident.

THAT "Spark" is not common to the trade, in terms of Section 17 (b) of the Trade Marks Act.

THAT even assuming that the meaning of the word "Spark" set out in the second examination report i.e., "Stimulus" or "Incentive", is accurate, neither of those words are common to the trade nor to the services under class 36.

The Applicant cited *Burland v. Broxburn Oil Company* 6 RPC 489, where Chitty J. held as follows:

“But the true resolution of the question is very simple: the phrase “common to the trade” is not to be interpreted otherwise than according to the ordinary rules of grammar, and I think “common to the trade” means exactly what it says. I cannot really make use of a better term: but I can make use of a term which I think exactly corresponds with the meaning - I do not say it is better - that it is “open to the trade.”

THAT the capacity of a mark to distinguish is a factual issue and must be determined on a case-by-case basis, with reference to all relevant circumstances. (Morley et al "Trade Marks" in The Law of South Africa Vol 29 (2nd ed) (hereafter “LAWSA”) para 24, pg. 20).

THAT disputes have risen in the courts over whether a term should be characterized as suggestive (as opposed to descriptive) or descriptive (as opposed to generic). The courts have found that the requirement of distinctiveness of a mark does not, of necessity, imply complete exclusion of an iota of a descriptive element in the mark provided that the mark retains its distinctiveness (*Discovery Holdings Ltd v Sanlam Ltd and Others*).

THAT the International Trademark Association Guidelines for Trademark Examination at page of 24, affords substantive guidance on determining marks with regard to descriptiveness. It is stated inter alia that ‘The mark will be considered descriptive if, as a whole, it describes an ingredient, quality, characteristic feature, purpose or use of the specified goods or services. Certain elements of the mark may be disclaimed (where allowed), but it is the overall level of distinctiveness, which must determine whether the mark is registerable’.

THAT the courts have also clarified the difference between descriptive and suggestive marks, and the principle is that a mark is suggestive if it requires imagination, thought and perception to determine the nature of goods or services in question. The authors of Webster & Page (Service Issue 19, 2015) at para 3.43 on descriptive marks, include a substantive discussion with respect to suggestive marks. It is stated, inter alia, that such marks ‘include a mark conveying a covert or skilful allusion to goods or services would be registrable although suggestive of the goods or services.

THAT the mark is not descriptive and may merely be a form of incitement. The Applicant submitted that the word “Spark” is inherently distinctive of the Applicant’s services, given that it does not allude to, or describe any of the Applicant’s services directly.

The Applicant also relied on the ***Matter of an Application by Cadbury Brothers Ltd for the Registration of a Trade Mark***, where Mr. Justice Sargant observed as follows:

“...I can quite see that the disadvantage to the Applicants of the insertion on the Register of such a disclaimer, unless it is really necessary, might well out-weigh the advantage to be derived by the public in general...”

The effect of inserting disclaimers which are unnecessary is to raise all sorts of difficulties in cases where such disclaimers are not inserted... here the Registrar appears to be insisting on this disclaimer in accordance with a general practice of the Office which he has stated. In my judgement, that practice is one which is far too wide and would result, as a general rule, in placing on the register a vast crop of unnecessary disclaimers,”.

THAT based on the second examination report, the first cited mark, ‘SAFARICOM SPARK VENTURE FUND’ - has no disclaimer endorsement on the word ‘SPARK’ and therefore appears to have been registered without a requirement to disclaim the right to the exclusive use of the word ‘SPARK’ separately and apart from the mark as a whole.

THAT the second cited mark ‘SPARK POSSIBILITIES’ has a disclaimer endorsement on the word ‘SPARK’ which would be reasonable since the respective goods and services relate to solar and electrical lighting equipment with which the word ‘SPARK’ is a matter common to trade.

THE Applicant also relied on TMA No. in ***the name of Standard Bank of South Africa Limited***, where the Assistant Registrar of Trade Marks, in setting aside a refusal notice requiring a disclaimer of the word “STANDARD”, ruled that the word does not describe the character of goods in classes 35 and 36 of the Nice Classification in respect of which the trade mark was sought to be registered. To illustrate this, the

Assistant Registrar noted the definition of the word “STANDARD” meaning “something used as a model in comparative evaluations”.

THAT according to the European Union intellectual Property Office (the EUIPO Examination Guidelines) it is stated that:

“For reasons of legal certainty and of sound administration, there must be a stringent and full examination of all applications. The principle of equal treatment and sound administration must be applied in a manner that is consistent with the principle of legality...”

THAT according to the decision in *Case C-51/10 P, Agencja Wydawnicza Technopol sp. z o.o. v OHIM (2011) ETMR 34*, the court stated at paragraphs 73-74 as follows:

“As Technopol rightly submits, OHIM is under a duty to exercise its powers in accordance with the general principles of European Union law Such as the principle of equal treatment and the principle of sound administration.

In the light of those two principles, OHIM must, when examining an application for registration of a Community trade mark, take into account the decisions already taken in respect of similar applications and consider with special care whether it should decide in the same way or not...” (Emphasis added).”

The Applicant submitted that the call for a disclaimer of the word ‘SPARK’ is unnecessary and unwarranted.

RULING

I have studied the documents on record and considered the Applicant’s written submissions against the Examiner’s disclaimer request. The Examiner had in the examination reports dated 27th September 2021 and 27th April 2022 requested the Applicant to disclaim the right to the exclusive use of the word “Spark” separately and apart from the mark as a whole and given the reasons for the request of the disclaimer. From the submissions filed, the Applicant has indicated that the disclaimer of the word ‘SPARK’ is unnecessary and unwarranted.

I am therefore of the view that the issue for determination is whether the Applicant's mark should proceed to publication in the Industrial Property Journal with or without a disclaimer of the word "Spark" separately and apart from the mark as a whole.

The Registrar of Trade Marks is empowered under Section 17 of the Trade Marks Act to require a proprietor of a trade mark to make such a disclaimer as the Registrar may consider necessary for the purposes of defusing the rights of such a proprietor under registration. The Section provides two particular circumstances when the Registrar may hold the proprietor not to be entitled to the exclusive rights that registration would otherwise confer upon him. These are:

If a trade mark-

- a) Contains any part not separately registered by the proprietor as a trade mark;
or
- b) Contains matters common to the trade or to the provision of services of that description or otherwise of a non- distinctive character.

The Supreme Court, in The Registrar of Trade Marks vs Ashok Chandra Rakhit Ltd on 15 April, 1955 stated that *"real purpose of requiring a disclaimer is to define the rights of the proprietor under the registration so as to minimize, even if it cannot wholly eliminate, the possibility of extravagant and unauthorized claims being made on the score of registration of the trade marks"*.

In ***Paco Holdings Ltd and opposition thereto by Paco Rabanne Parfums [1999]***, the Registrar's Principal Hearing Officer was of the view that the entry of the disclaimer should be regarded as an admission by the proprietor that the disclaimed matter is not to be regarded distinctive as in itself, of the trade origin of the proprietor's goods or services.

Page 62 of the KIPI Trade Marks Manual of Examination Procedures states that the purpose of a disclaimer is to prevent proprietors of a mark to claim exclusive rights to the parts of marks that are non-distinctive or common to the particular trade.

The Applicant herein submitted that its trade mark application has been made in respect to the following services:

Class 36: “Financial, monetary and banking services; insurance services; real estate affairs”.

That the word “Spark” does not describe the above services, nor does it, when used in conjunction with the Applicant’s well known ABSA trade mark, allude to any characteristic or quality of the services for which registration is sought. That “Spark” is not common to the trade, in terms of Section 17 (b) of the Trade Marks Act.

The Applicant was of the view that the word ‘Spark’ is inherently distinctive of the Applicant’s services, given that it does not allude to or describe any of the Applicant’s services directly.

Distinctiveness under the Act is an essential element that the trade mark sought to be registered by the Applicant should possess.

In the case of ***Canon Kabushiki Kaisha v. Metro-Goldwyn Mayer (1999) RPC 117*** the ECJ stated that:

“The essential function of the trade mark is to guarantee the identity of the origin of the marked product to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from the other which have another origin. For the trade mark to be able to fulfil its essential role...it must offer a guarantee that all the goods or services bearing it have originated under the control of a single undertaking which is responsible for their quality”

It is therefore critical that I assess the distinctive character of the Applicant’s mark in relation to the services in class 36 of the Nice Classification of Goods and Services which the Applicant seeks to register.

In ***Xtreme Lashes LLC vs Xtended Beauty Inc. 576 F3d 221, 232 (5th Cir. 2009)*** in construing descriptiveness, the court broadly stated in part that:

“(1) the marks dictionary definition corresponds with its meaning and context;

- (2) upon hearing the mark, one need not use “imagination, thought and perception to reach a conclusion as to the nature of goods;
- (3) competitors would be likely to need the terms used in the trade mark in describing their products;” and that
- (4) others have used the term in marketing a similar service or product.”

According to the online Cambridge English Dictionary the term “Spark” is defined as: “a very small piece of fire that flies out from something that is burning, or one that is made by rubbing two hard things together, or a flash of light made by electricity; a first small event or problem that causes a much worse situation to develop; a feeling or quality that causes excitement.”

It could also mean “to cause the start of something, especially an argument or fighting”

It is my view that the word “Spark” as used by the Applicant with respect to services in class 36 is not descriptive.

Lord Parker in W & G du Cros’ Application [1913] 30 RPC 660 stated that the right to registration should largely depend on whether other traders in the course of their business and without any improper motive desire to use the same or a similar trade mark upon or in connection with their own goods and services.

The Examiner while requesting for the disclaimer of the word ‘Spark’, cited two marks existing on the Register of trade marks being TM No. 85453 ‘SAFARICOM SPARK VENTURE FUND’ and TM No. 93163 ‘SPARK POSSIBILITIES’.

In considering the first cited mark, TM No. 85453, the said mark was registered without a requirement to disclaim the right to the exclusive use of the word ‘SPARK’ separately and apart from the mark as a whole.

As relates to the second cited mark, TM No. 93163, the same was registered with a disclaimer of the word ‘SPARK’ separately and apart from the mark as a whole.

Having considered the arguments raised by the Applicant and considered the services relating to the cited marks and the Applicant’s mark, I hold the view that the

Applicant's mark should be registered without the entry of a disclaimer of the word 'Spark' separately and apart from the mark as a whole.

For the above-mentioned reasons and having considered all the circumstances of this case, I hereby rule as follows:

1. The Applicant's application for registration of the mark "Spark' By Absa", T.M.A. No. 118164 shall proceed to publication in the Industrial Property Journal without the requirement of a disclaimer of the word 'Spark' separately and apart from the mark as a whole.
2. The Examiner's report dated 27th September 2021 requiring the Applicant to disclaim the right to the exclusive use of the word "Spark" separately and apart from the mark as a whole is hereby revoked.

Ruling delivered at Nairobi this 23rd day of October 2024



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CONCILIA WERE

ASSISTANT REGISTRAR OF TRADE MARKS