

This article was published in the *World Trademark Review* on October 17, 2018.

BALLDRIVE decision highlights IP Court's strict approach to assessing distinctiveness of word marks

Joseph S Yang , Lee and Li Attorneys at Law, Taipei

- Intellectual Property Office (IPO) refused to register BALLDRIVE in Class 7 on grounds of descriptiveness and lack of distinctive character
- Court found that BALLDRIVE lacked inherent distinctiveness even though applicant was first to use it as mark for designated goods
- Applicant failed to prove that mark had acquired distinctiveness through long-term and extensive use

The IP Court in Taiwan has dismissed an appeal against a decision of the IPO in which the registration of the trademark BALLDRIVE for goods in Class 7 of the Nice Classification was refused.

Background

The applicant, Tsudakoma Corp, sought to protect its word mark BALLDRIVE for "rotary tables for metalworking machines, metalworking machines" in Class 7 in Taiwan. The application was refused by the IPO on the grounds that the mark was descriptive and devoid of distinctive character in relation to the applied-for goods. The applicant filed an appeal against the refusal, but the appeal was dismissed by the Ministry of Economic Affairs. The applicant thus appealed to the IP Court.

IP Court decision

On appeal, the applicant's arguments boiled down to three claims:

- the word 'BallDrive' was coined by the applicant and was not familiar to local consumers;
- as the designated goods, "rotary tables", were generally driven by worm gears or direct drive motors instead of "steel balls", the relevant consumers would not consider BALLDRIVE to be a mere description of goods. In addition, the applicant was the only one to use BALLDRIVE as a mark for rotary tables and metalworking machines in the market. The mark should thus be held to be inherently distinctive; and
- as the applicant had obtained registrations for BALLDRIVE in China, Japan, Korea, the European Union and the United States, and the products bearing the BALLDRIVE mark were sold worldwide, including in Taiwan, the distinctiveness of BALLDRIVE for the relevant consumers was self-evident.

Despite the applicant's claims, the IP Court dismissed the appeal for the following reasons:

- as the letters 'B' and 'D' were capitalised, 'BallDrive' was deemed to be a combination of the words 'Ball' and 'Drive', both of which were commonly known to the public;
- machines are often driven by bearings and screws. Among them, "ball bearings" and "ball screws" were the most prevalent ones. Although the balls per se did not possess motive power, they helped to drive the machines through rolling. Given this, balls were highly correlated with the function of transmission installations, including the applicant's "rotary tables for metalworking machines";

- the developer of new goods or services on the market may create a name for these goods or services. Nevertheless, if such a name is a direct and obvious description of the goods or services, it would be improper to grant the developer exclusive rights to use it since such name made it easy for people to understand the nature of the goods or services or the technology involved; competitors may also need to use such simple, obvious and direct description. Even though the applicant was the first company to use BALLDRIVE as a mark for the designated goods and, currently, no other competitors used such term to describe the relevant goods, BALLDRIVE was still be deemed to lack inherent distinctiveness considering its descriptive nature;
- the evidence provided by the applicant attesting to the use of the BALLDRIVE mark and the sales revenue for relevant products was not sufficient to prove that the mark had acquired distinctiveness through long-term and extensive use in Taiwan because most of these uses were descriptive, rather than as a trademark; and
- while BALLDRIVE was successfully registered in a number of countries, it should not be registered in Taiwan since it was descriptive and had not acquired distinctiveness on the domestic market.

Comment

The decision shows that the IP Court follows strict criteria when examining the distinctiveness of a word mark. Even where a mark has been coined by the applicant, if such mark consists of common terms which are reminiscent of the function of the designated goods, it may be considered descriptive under the current practice in Taiwan.