

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO 2041328
BY CHARTER INFORMATION CORPORATION
TO REGISTER A SERIES OF MARKS IN CLASS 42**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER
NO 45330 BY DEUTSCHE TELEKOM AG**

TRADE MARKS ACT 1994

5 **IN THE MATTER OF Application No 2041328**
by Charter Information Corporation
to register a series of marks in Class 42

and

10 **IN THE MATTER OF Opposition thereto under**
No 45330 by Deutsche Telekom AG

15 **DECISION**

On 13 October 1995 Charter Information Corporation of Pennsylvania, United States of
America applied to register the following series of three marks

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dNET

DNET

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for a specification of services which reads

35 “Provision of access to electronic databases; management of electronic databases;
provision of access on a global computer network to databases containing information
from directory publishers; information, advisory and consultancy services relating to all
the aforesaid services.”

40 The application is numbered 2041328.

On 5 September 1996 Deutsche Telekom AG of Bonn, Germany filed notice of opposition to
this application. In summary the grounds are:-

45 i under Section 5(2)(b) because the marks applied for are similar to earlier trade
marks in their ownership or used under license by them (see Annex for details)

ii under Section 5(3) in that use of the marks applied for would take unfair advantage of, or be detrimental to the distinctive character or the repute of the earlier trade marks and are to be registered for services which are not similar

5 iii in the alternative the opponents say that the application should be refused by virtue of the fact that the earlier trade marks are well known marks for the purposes of Section 56 and Section 6(1)(c).

10 The applicants filed a counterstatement denying the above grounds. Both sides ask for an award of costs in their favour. Only the opponents filed evidence. Neither party has requested a hearing. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

15 Opponents' evidence

The opponents filed a declaration dated 2 December 1997 by Reinhard Waschke, a public relations officer with Deutsche Telekom. He says he has a close involvement with trade mark matters, makes his declaration from his own knowledge or company records, and is conversant with the English language.

20 Mr Waschke exhibits (RW1) details of his company's registrations and explains the licensing connection with Tandem Computers, the proprietors of 1577969. I do not propose to review the related commentary on the licensing agreement as it is not relevant to the issues before me (there being no requirement that an opponent be the proprietor of, or have a particular interest in, the earlier trade mark).

25 He says that what I will refer to as the TNET trade marks owned by the opponents have been filed in excess of approximately 110 countries. He exhibits (RW3) by way of example, copies of international registrations filed via the Madrid arrangement.

30 He comments as follows on use of the marks and the goods and services in relation to which they are used

35 "The TNET trade marks commenced use in Germany during the Autumn of 1995 and are used in relation to the digital communications network of DTEL[Deutsche Telekom AG]. The aforesaid digital communications network can be considered as being the same as the digital communications network provided by British Telecommunications plc ("BT") and commonly referred to in the United Kingdom as ISDN. It is widely recognised that the T-Net digital networks is one of the most advanced within Europe and elsewhere. The advent of digital communications is bringing about a revolution in communications achieving faster connections, greater and increased availability of telephone lines, enhanced connectivity, multi-conferencing, video-conferencing, high speed electronic communications with significantly greater clarity and volume of data transfer. The future use and commercial exploitation of online databases and the Internet will benefit considerably from the advances in digital communications. There is now shown to me Exhibit RW4 being a copy of literature relating to the T-Net service together with a certified

translation thereof. It will be noted that the T-Net service also provides for high speed digital connections to the Internet through access provided by access providers including the T-Online service of DTEL. The T-Net digital network forms one of the backbones of DTEL's business and in consequence the TNET trade marks constitute one of the most valuable assets of DTEL."

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He also exhibits (RW5) marketing literature supplied by Panasonic in relation to the benefit of ISDN connectivity and (RW6) the opponents' marketing literature for the English speaking world which includes a reference to a UK subsidiary, Deutsche Telekom Limited. The opponents are, he says, forming strategic alliances with other telecommunications providers, around the world. The TNET mark will play a vital role in the company's global marketing plans. Mr Waschke concludes by referring to a separate declaration by his trade mark representative (I deal with this below) and making a number of observations on the similarity of the respective marks and goods/services.

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The opponents also filed two Statutory Declarations by James Maxwell Stacey, their professional adviser in these proceedings. One of the declarations is simply to correct a typographical error, the other extends to some seven pages of detailed commentary on issues to do with comparisons of marks and services. I have carefully read and considered Mr Stacey's comments. In the final analysis it is for the tribunal to decide such issues. I do not therefore propose to summarise all the submissions made but briefly he

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- emphasises the importance to be attached to phonetic considerations and regards D and T as being phonetically similar
- refers to the principles followed by the trade mark search firm Compu-Mark (UK) and exhibits the results of various searches carried out. He concludes that the Compu-Mark search system considers DNET and TNET to be similar
- reviews Registry practice on searching for conflicting marks
- draws attention to Websters and Collins dictionary references which point to the possibilities of similar pronunciation
- comments on the respective services which both cover the operation of databases including access to the Internet.

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That concludes my review of the evidence.

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I will deal first with the objection based on Section 5(2)(b).

This Section reads:

"5.-(1)

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(2) A trade mark shall not be registered if because -

- (a)
- (b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

The term “earlier trade mark” is itself defined in Section 6 as follows:

“6.-(1) In this Act an “earlier trade mark” means -

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,
- (b) a Community trade mark which has a valid claim to seniority from an earlier registered trade mark or international trade mark (UK), or
- (c) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well known trade mark.”

In considering the issue of confusion I also take account of the guidance given by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* (1998 RPC 199). The relevant sections of the ECJ’s decision are set out below:-

“..... it is clear from the tenth recital in the preamble to the Directive that the appreciation of the likelihood of confusion ‘depends on numerous elements and, in particular, on the recognition of the trade mark on the market, of the association which can be made with the used or registered sign, of the degree of similarity between the trade mark and the sign and between the goods or services identified’. The likelihood of confusion must therefore be appreciated globally, taking into account all factors relevant to the circumstances of the case.

That global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components. The wording of Article 4(1)(b) of the Directive - ‘there exists a likelihood of confusion on the part of the public’ - shows that the perception of marks in the mind of the average consumer of the type of goods or services in question plays a decisive role in the global appreciation of the likelihood of confusion. The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details.

In that perspective, the more distinctive the earlier mark, the greater will be the likelihood of confusion. It is therefore not impossible that the conceptual similarity resulting from the fact that two marks use images with analogous semantic content may give rise to a likelihood of confusion where the earlier mark has a particularly distinctive character, either per se or because of the reputation it enjoys with the public.”

The services of the application in suit cover inter alia provision of access to electronic databases through a global computer network and related advisory services. The opponents’ specification in Class 42 also give broad coverage for services relating to databases together with associated advisory and consultancy services. Neither specification makes direct reference to the Internet though it is not unreasonable to assume from the terms used that access to and use of the Internet is encompassed within the specifications. I note that Mr Waschke says that the services provided by his company under the mark T-Net includes “high speed digital connections to the Internet...”. Although, therefore, the respective specifications employ slightly different language I take the view that they are, or could cover, the same services or at the very least very closely similar services. The matter, therefore, turns critically on the comparison of the marks themselves.

The applicants have applied for a series of three marks as set out at the start of this decision. The marks relied on by the opponents also involve a number of slightly different presentations. I do not think anything turns on the fact that there are variant forms of the marks at issue. Nevertheless it will be apparent from the opponents’ registrations covering Class 42 and two of the three marks in the applicants’ series that the marks are presented such that they emphasise (if any such prompting were needed) that they are composed of a single letter element together with the word NET. I also take the view that even where the registrations are all in upper case letters (as in 1577969 and the third mark in the applicants’ series) there can be little doubt that the marks would be seen and referred to in the same way, a view that is, I think, consistent with the applicants’ marks being accepted as a series of three in the first place. NET is a common descriptive element in relation to services (and associated goods) of the kind at issue signifying as it does “network” and more specifically in recent years the Internet. In itself, therefore, NET has little or no capacity to distinguish such services. Whilst I do not forget the view taken in the above extract from *Sabel v Puma* that the average consumer does not analyse the details of marks I nevertheless consider my above analysis to be a reasonable reflection of how consumers will see the marks at issue. Moreover this is consistent with the observations of the opponents in relation to the marks.

Mr Stacey in his evidence rightly points out what has always been the case namely that the sound of marks is important as well as their visual impact (a point also acknowledged in the *Sabel v Puma* extract). He gives a number of examples of the application of this principle such as C/K, PH/F, TECH/TEC/TEK. He also points to an example given in Chapter 11 of the Registry Work Manual suggesting that PORTER, POTTA and PORDA would each be citable against PORTA. More generally he is of the view that D and T, the initial elements of the marks at issue before me, are phonetically comparable and he supports this by reference to dictionary entries explaining in physiological terms how the letters are formed. I do not think the opponents go so far as to suggest that registration of TNET/TNet would enable them to prevent any other application consisting of the word NET prefixed by a single letter. It is

really, therefore, a matter of how close I judge the marks to be and the importance to be attached to the sound of the marks in the “global appreciation” of similarity.

5 On the basis of the Compu-Mark search material Mr Stacey considers that the respective marks would be held to be confusingly similar. It seems to me that these search results must be treated with some caution. It is clear that various categories of search are possible depending presumably on the commercial needs of the party concerned and some may go rather wider than necessary for trade mark application filing purposes. In any event the advice received from Compu-Mark is not in my view conclusive as can be seen from the following
10 commentary (it is, I think, hearsay but no point has been taken in this respect)

15 “Hitherto, the phonetic rule D=T has been applied to all identical searches on the premise that phonetically the results generated are considered so similar that they are referred to as “near identical” being defined as marks which “nearly” meet the phonetic rules; this has been regarded as being a secondary phonetic rule. Whilst I am advised that this approach is being reappraised and that “identical” searches will not in the future include “near identical” trade marks, it is important to note that the Compu-Mark system continues to recognise that DNET and TNET are closely similar or near
20 identical as seen in Exhibit JMS3.

The primary phonetic rule D=T is not applied to the Compu-Mark full searches except when either of these two letters form the last letter of the mark being searched as explained above. In such circumstances, a search against DNET would only list as an
25 identical DNED and DNET.

30 Paragraph 6.2 notwithstanding, the Compu-Mark full searches include a number of predetermined searches including prefix, suffix, vowel substitutions and anagrams, depending on the length of word searched but still applying the standard phonetics rules inherently built into the search software. Thereafter, the search software conducts a ranking or filter of the results by means of a scoring module with the aim of listing at the beginning of the section of similar marks those trade marks that should be considered as the closest to that being searched. In the case of the secondary phonetic rule referred to in Paragraph 6.1 above, the software would allocate a high ranking or
35 scoring such that the marks DNET and TNET would be found near the top of the result generated when searching either mark.”

Whilst I have considered all the points made in the opponents’ evidence in the final analysis I must come to my own decision on the matter. The general points about phonetic similarity need to be considered with some care. Thus C and K, for instance, may be phonetically
40 indistinguishable in certain contexts (ie where the C is a hard sound) but would not be confused if used in marks of the kind at issue before me for the simple reason that they would be pronounced as individual letters. For the same reason I do not think the risks envisaged in the PORTA/PORDA example arise here. Whilst individual letters may be elided or poorly articulated in certain contexts this is not inevitably or invariably the case and in my view is not
45 so here. The structure and nature of the marks must I think accentuate the initial single letter such that confusion is unlikely. It has however been suggested that personal (presumably oral) recommendations may play a part in the offering of the services concerned. In the absence of

clear evidence as to the customer base and methods of sales and marketing I am not persuaded that such recommendations play a significant role. Prima facie, these are sophisticated and probably expensive services which would be purchased with some care by knowledgeable individuals. I also take into account the fact that aural similarity is just one of the issues to be considered under the Sabel v Puma test. So far as the visual and conceptual aspects of the marks are concerned the most that can be said in the opponents' favour is that the marks are made up of a single letter with the word NET. In the context of services of the kind at issue I see no realistic risk of confusion arising as a result of different single letters combined with a descriptive element. In short I have come to the view that the opposition under Section 5(2)(b) fails.

Section 5(3) reads

“ (3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

Section 5(3) provides a broader level of protection to marks which have a reputation. It seems unlikely that such protection would be warranted unless that reputation had been very clearly established and was at a significant level having regard to the nature of the goods or services and the customers for those goods or services. I think it must also follow that the burden on an opponent to establish his case must increase proportionately according to the degree of difference between the marks at issue. As a practical matter I find it difficult to envisage circumstances where, as here, an opponent who has failed in relation to the same or substantially the same services under Section 5(2) could nevertheless succeed under Section 5(3). However I will briefly consider the opponents' position.

It will be apparent from the specifications of goods and services under Nos 2027592 and 2028446 that the opponents can bring themselves within Section 5(3) to the extent that they have registrations for goods and services which are not similar to those of the marks applied for. However I find little in the opponents' evidence to point towards any reputation in such dissimilar goods or services. The material date in the proceedings is 13 October 1995. The opponents indicate that they commenced use of the TNET trade marks in Germany during the autumn of 1995. That appears to place their use in a similar time frame to the filing of the application in suit. However there is no indication as to when, or whether, they have commenced use in this country in relation to the core digital communication network service let alone goods or services which are not similar. Nor is there any explanation as to how, absent such use, the marks have any reputation in this country. It follows also that the

opponents have not established that use of the applicants' marks will have the undesirable consequences set out in Section 5(3). The opposition fails on this ground.

5 The opponents advanced alternative grounds based on a claim that their mark is well known and entitled to protection under Article 6bis of the Paris Convention. They ask that this be taken into account under both Section 5(2)(b) and Section 5(3). As I have decided that the opponents cannot claim, or at least have not demonstrated, a reputation in this country in relation to either the same, similar or dissimilar services or goods it must also be the case that they have failed to substantiate their claim under this head.

10 As the opposition has failed on all the grounds brought the applicants are entitled to a contribution towards their costs. I order the opponents to pay the applicants the sum of £235.

15 Dated this 16th day of February 1999

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M REYNOLDS
For the Registrar
the Comptroller General

ANNEX

NUMBER	MARK	CLASS	JOURNAL	SPECIFICATION
1577969 ¹	TNET	9	6165/ 02129	Computers; data processing apparatus and instruments; data input and output apparatus; computer software; tapes and discs for computers; all for use with telecommunications apparatus and instruments; parts and fittings for all the aforesaid goods; all included in Class 9.
2027592 ²		9	6188/ 08929	Electrical and electronic apparatus and instruments, all for use with telecommunication apparatus and instruments; optical, measuring, signalling, controlling and/or teaching apparatus and instruments; apparatus for recording, transmission, processing and reproduction of sound, images or data; magnetic or optical data carriers; automatic vending machines and mechanisms for coin operated apparatus; data processing equipment and computers.
		14		Jewellery; horological and chronometric instruments.
		16		Printed matter; instructional and teaching material; stationery.
		18		Umbrellas, parasols, goods of leather and imitations of leather; trunks and travelling bags.
		25		Clothing, headgear, footwear; but not including any such goods for babies.

NUMBER	MARK	CLASS	JOURNAL	SPECIFICATION
		28		Games, toys; gymnastic and sporting articles (not included in other classes).
		36		Financing services; real estate services.
		37		Construction, installation, maintenance and repair of telecommunication networks, apparatus and instruments; construction, installation, maintenance and repair of computer networks, computers, computer hardware and software.
		38		Telecommunication services; rental of telecommunications apparatus.
		41		Instruction services relating to business, telecommunications and/or computers; provision of online entertainment services, all involving electronic interactive media; television entertainment services; organisation of sporting and cultural events; publication and issuing of printed matter.
		42		Computer programming, services relating to databases; rental of apparatus for telecommunications, data processing equipment and computers; projecting and planning equipment for telecommunications; publication and issuing of printed matter; professional advisory and consultancy services and the provision of information relating to all the aforesaid services.

NUMBER	MARK	CLASS	JOURNAL	SPECIFICATION
2028446 ²	T-Net TNet	9	6206/ 14486	Electrical and electronic apparatus and instruments, all for use with telecommunication apparatus and instruments; optical, measuring, signalling, controlling and/or teaching apparatus and instruments; apparatus for recording, transmission, processing and reproduction of sound, images or data; magnetic or optical data carriers; automatic vending machines and mechanisms for coin operated apparatus; data processing equipment and computers.
		14		Jewellery; horological and chronometric instruments.
		16		Printed matter; instructional and teaching material; stationery.
		18		Umbrellas, parasols, goods of leather and imitations of leather; trunks and travelling bags.
		25		Clothing, headgear, footwear; but not including any such goods for babies.
		28		Games, toys; gymnastic and sporting articles (not included in other classes).
		36		Financing services; real estate services.

NUMBER	MARK	CLASS	JOURNAL	SPECIFICATION
		37		Construction, installation, maintenance and repair of telecommunications networks, apparatus and instruments; construction, installation, maintenance and repair of computer networks; computers; computer hardware and software.
		38		Telecommunication services; rental of telecommunications apparatus.
		41		Instruction services relating to business, telecommunications and/or computers; provision of online entertainment services, all involving electronic interactive media; television entertainment services; organisation of sporting and cultural events; publication and issuing of printed matter.
		42		Computer programming; rental of data processing equipment and computers; planning and design services, all relating to telecommunication networks, apparatus and instruments; rental of access time to and operation of databases; professional advisory and consultancy services and the provision of information relating to the aforesaid services.

Note ¹ this registration is said to be in the name of Tandem Computers but the opponents have taken a license to use the mark

² these were pending applications at the time the opposition was filed but have since progressed to registration.