

TRADE MARKS ACT 1994

IN THE MATTER OF
APPLICATION NO 2107667
TO REGISTER A TRADE
MARK IN CLASS 35

DECISION AND GROUNDS OF DECISION

On 14 August 1999 The Reynolds and Reynolds Company of 800 Germantown Street, Dayton, Ohio 45407, United States of America applied under the Trade Marks Act 1994 to register the trade mark DEALERNET in Class 35 in respect of the following services:

“Information, collection, storage, retrieval and dissemination services; provision of access to information databases; computer services relating to all the aforesaid.”

Objection was taken to the application under Section 3(1)(b) of the Act as the mark is devoid of any distinctive character for e.g. networked information services relating to, or provided by dealers.

At a hearing, at which the applicants were represented by Mr Hitchcock of Lloyd Wise, Tregear & Co, their trade mark agents, the objection was maintained. The applicants subsequently provided details of how the mark is used in relation to the goods contained within the specification filed (copy attached at Annex A). However, I was not persuaded that the mark is distinctive and maintained the objection. At this time the applicants were referred to information retrieved from their own Web site which supported the objection (copy attached at Annex B). The applicant was allowed a period until 28 June 1999 in which to respond. However, by 17 August 1999 no response had been received and the application was refused in accordance with Section 37(4) of the Act.

Following refusal of the application under Section 37(4) of the Act I am now asked under Section 76 of the Act and Rule 56(2) of the Trade Mark Rules 1994 to state in writing the grounds of my decision and the materials used in arriving at it.

No evidence of use has been put before me. I have, therefore, only the prima facie case to consider.

Section 3(1)(b) of the Act reads as follows:

“The following shall not be registered -

(b) trade marks are devoid of distinctive character

The test of distinctiveness was laid down by Mr Justice Jacob in the TREAT case [1996] RPC 281 page 306 lines 2-5 when he said:

“What does *devoid of any distinctive character* mean? I think the phrase requires consideration of the mark on its own, assuming no use. Is it the sort of word (or other sign) which cannot do the job of distinguishing without first educating the public that it is a trade mark?”

The mark consists of the English dictionary words DEALER and NET conjoined. The primary definition of the word DEALER in Collins English Dictionary (Millennium edition) is:

1 A person or firm engaged in commercial purchase and sale; trader: *a car dealer*

The same dictionary defines the word NET as denoting, inter alia:

8 *informal*. Short for **Internet**. and

9 another word for **network**,

but limits this to a reference to the word NETWORK meaning - A system of intersecting lines, roads, veins etc.

The registry has, since its publication on 12 March 1997 in Trade Mark Journal no 6166, had a clear practice in respect of trade marks which incorporate the word NET. This practice is set out below:

1. The word NET is recorded in Collins Dictionary as an abbreviation for “network”. The words NET and NETWORK are becoming increasingly interchangeable for electronic goods and services. Consequently applications to register trade marks, which contain the word NET for such goods and services, **whether or not as part of a domain name**, are unlikely to be accepted prima facie if the same mark with the word NETWORK substituted, would be refused.

2. This means that applications to register the word NET in combination with a word describing characteristics of electronic networks (eg FAST NET), are likely to be refused registration for network apparatus and services in Classes 9 and 38, unless there is evidence that the mark has acquired a distinctive character. The same is true of marks in Class 9 which describe characteristics of computer software (eg NET CONTROLLER).

3. Applications to register a trade mark consisting of the word NET in combination with the name of subject (eg WEATHERNET) are also likely to be refused prima facie registration for electronic information services in Class 38 and for software for supplying such information in Class 9.

4. A number of marks have been accepted in the past which are not in line with the above practice. However, in view of the increasing use by traders of the abbreviation NET referred to above, the Registrar considers that the significance of the word has now changed and a change in practice is appropriate.

In relation to the services applied for I consider that the words DEALER NET are descriptive of services which enable customers or potential customers to contact a network of dealers. It is clear from the applicants' own web site (a copy of which was sent to Mr Hitchcock on 28

January 1999) that the services applied for link customers, and potential customers, to a dealer network. It appears that these services are directed at purchasers of, and dealers in, motor vehicles. The applicants state in their own web site that their services enable customers to have direct access to a “network of over 4,500 accredited dealers”. The information provided by the applicant (Annex A refers) makes it clear that the services provide a connection to a network of automotive dealers. In my view the mark is directly descriptive of such services and is, therefore, devoid of any distinctive character. Indeed, an objection under Section 3(1)(c) of the act would also have been appropriate.

It is my conclusion that the mark is devoid of any distinctive character. I do not say that the mark is incapable of achieving registration but I do not consider that the public would, without education, regard this sign to be an indication of origin of the goods. I therefore conclude that the sign is debarred from registration by virtue of Section 3(1)(b) of the Act.

In this decision I have considered all the documents filed by the applicant and all the arguments submitted to me in relation to this application and, for the reasons given, it is refused under the terms of Section 37(4) of the Act because it fails to qualify under Section 3(1)(b) of the Act.

Dated this 17 day of November 1999

A J PIKE
For the Registrar
The Comptroller General

ANNEX A

Automotive News[®]

SEPTEMBER 14, 1998

Retail technology

DealerNet is back, with new features

DONNA HARRIS

Staff Reporter

DealerNet, one of the earliest dealer Web sites, is making a comeback after being sold twice and going through a couple of revisions.

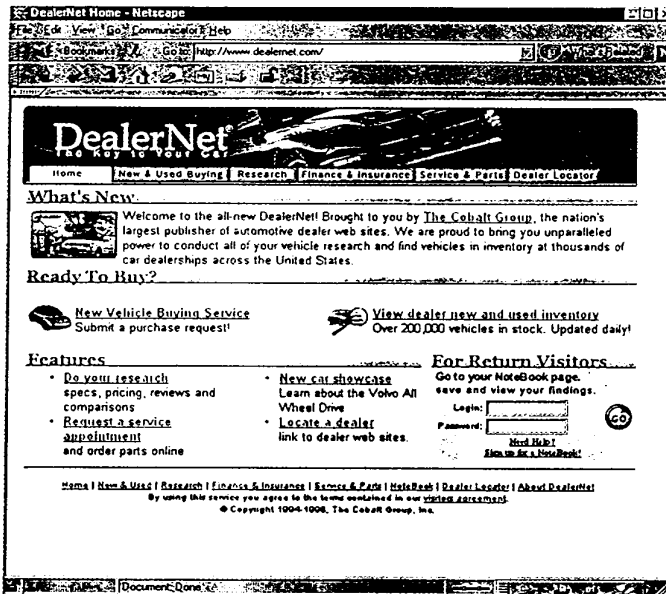
The latest incarnation, scheduled to be launched today, Sept. 14, will be the first independent auto-buying service to allow shoppers to browse both new- and used-vehicle inventory.

Unlike the major online buying services, dealers who subscribe will not have to commit to no-haggle prices. Internet auto-buying services send Internet shoppers to dealerships for a fee.

The other services let customers shop virtual used-car lots. The advantage to posting new-vehicle inventory is that customers will be able to confirm what cars the dealerships have in stock. On DealerNet, customers can reserve a specific vehicle for a test drive.

"There are a lot of buying services out there, but what those sites aren't doing is attaching a (purchase) request to a specific vehicle on a dealer's lot," says Suzanne Sellers, product manager for DealerNet. "Our research has shown that this is what consumers really want. We will drive more leads to dealers."

Many dealers are expected to like the price negotiation policy. Some have complained that sales prospects are taking no-haggle price quotes they get online and



The revamped DealerNet Web site, which is scheduled to debut today, Sept. 14, will allow shoppers to browse through vehicle inventories.

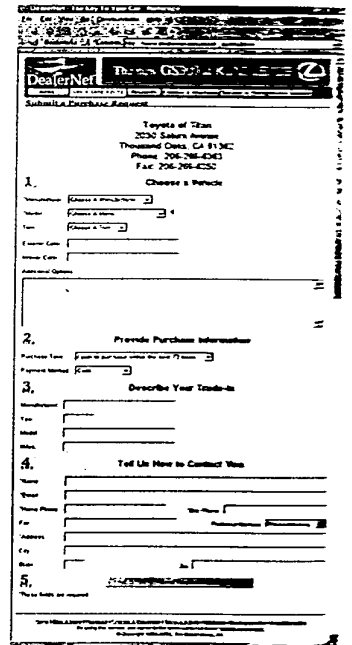
using the quotes to shop other dealerships. On DealerNet, dealers will have the chance to make a counteroffer and save some sales they might have lost if they were barred from negotiating prices.

"We encourage dealers to offer the most competitive price from the beginning," says Sellers. "If consumers find exactly the car

they want, they are also less likely to go down the street to another dealer."

Diane Wetherington, vice president of marketing for the Cobalt Group, says dealerships can still choose to offer no-haggle prices. "It is their choice," she says.

More than 600 dealers have subscribed to DealerNet since Cobalt began recruiting dealer-



ships in July. Because the service is new, Cobalt is offering it free until January 1 as an incentive to attract more dealers. The exact fee structure has not been determined, but Cobalt assures dealers DealerNet will be competitively priced with the other buying services. **AS**



Getting your share of the Net yet?

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What's so exciting about this?

DealerNet is breaking the established Internet new car buying service model and taking online car shopping to a completely new level.

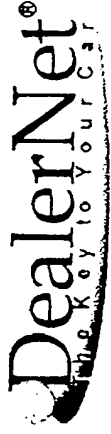
The result for dealers is the ability to economically increase traffic to *all* of their departments - parts, service and sales.

Why did we add new inventory?

Quite simply, car buyers want it!

According to a recently completed J. D. Power and Associates study, roughly 25% of all new car buyers arm themselves with vehicle product and pricing information via the Internet during the new vehicle shopping process.

And according to a survey of 2,866 DealerNet customers in July of 1998, searching dealers' new vehicle inventory was among the top five things they would like to do when visiting an automotive Web site.



*Online Marketing that
Puts the Dealer First!*

What is DealerNet?

DealerNet® was the first auto buying service on the Internet and today is one of the top five Web sites for automotive information according to PointCast. Now, DealerNet is the first service enabling car buyers nationwide to view and select cars from dealers' new car inventories.

In addition to listing new car inventory, DealerNet also offers consumers the ability to:

- Find specific *used* vehicles in a dealer's inventory
- Submit a purchase request
- Submit a parts request or schedule a service appointment
- Compare insurance and financing, and calculate payments and trade-in values
- Reserve a specific vehicle for a test drive
- Research and compare detailed model specifications



Getting your share of the Net, yet!

DealerNet is owned and operated by the Cobalt Group, Inc. Cobalt is the nation's largest provider of Internet marketing solutions for the automotive industry.

<http://cobaltgroup.com>
<http://dealer.net.com>

2030 1st Avenue, Suite 300
Seattle, WA 98121
800-909-8244

Does DealerNet really put dealers first?



Yes! Unlike other buying services which keep dealers behind the scenes, DealerNet keeps the dealer in front of the consumer whenever possible. You'll notice a difference right from the start - our new vehicle buying service actually offers consumers an opportunity to select their dealer of choice, instead of it being decided for them.

When searches are conducted within a radius of a ZIP code, each match prominently displays the dealer's name and offers a hyperlink to the dealer's Web site. If a consumer selects a given car, another hyperlink appears on the detailed description. In fact, everywhere you navigate in DealerNet you'll find immediate, simple access to dealership Web sites.

In addition to all of that, DealerNet does not require or provide dealer exclusivity. Just as dealers advertise in several local newspapers, we realize and even *encourage* you to use more than one buying service.

How much traffic is DealerNet getting?

While we do not publish traffic statistics, Hot 100 rates DealerNet as one of the most frequently visited automotive sites on the Web each month.

What's more, with the aggressive advertising efforts, including banner advertisements and placements with major search engines such as Excite[®] and Infoseek[®], thousands of consumers are visiting DealerNet every day.

What other efforts are being made to promote DealerNet?



Yahoo![®], the largest search engine on the Web, has teamed up with DealerNet to provide additional access to dealers' inventory listings. By posting your new and/or used inventory on DealerNet, you are automatically included in Yahoo! Autos listings.

What is the cost of DealerNet?

Currently, we are offering DealerNet free until the end of the year.

Although pricing hasn't been finalized, DealerNet service will cost around \$250 a month.

How does the price compare to other online car buying services?



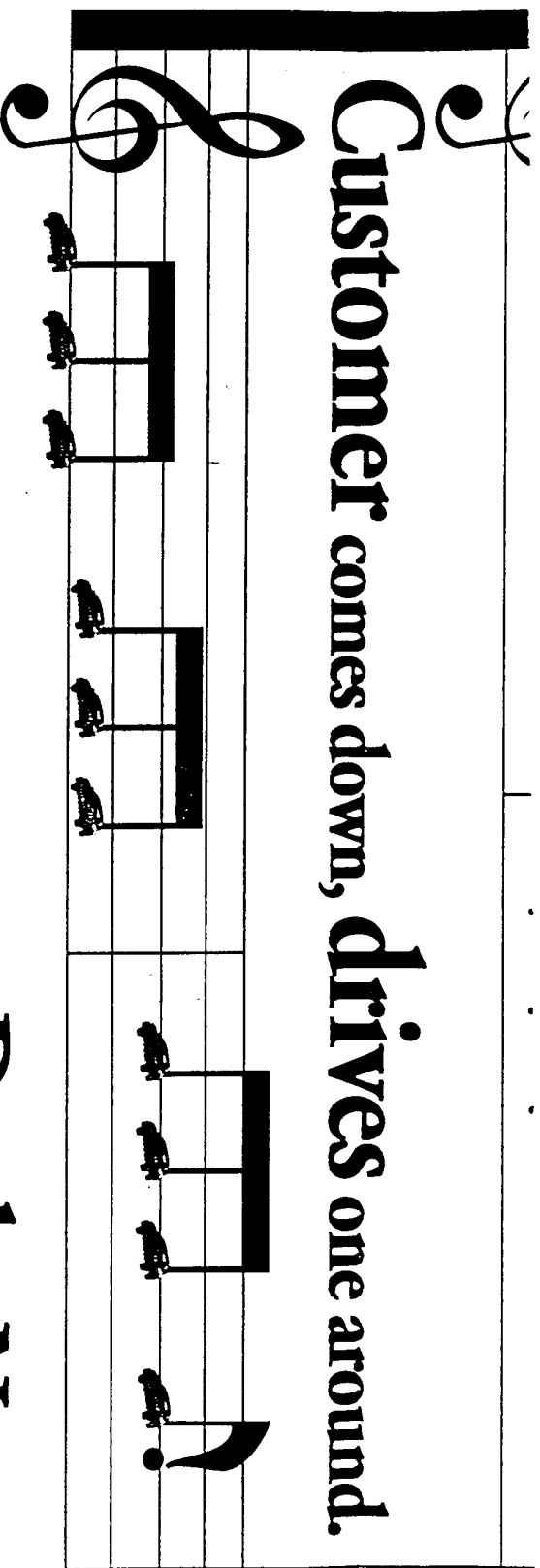
DealerNet is, in fact less expensive than most other buying services. Auto-by-Tel and other services typically charge high, flat monthly fees for exclusive, territory-based new vehicle leads.

Auto-by-Tel often costs well over \$1,000 a month for each make sold.

How can I be part of DealerNet?

You can subscribe to DealerNet by contacting your Cobalt Group sales representative. Cobalt's toll-free number is 800-909-8244.

Customer comes down, drives one around.



Ninety-eight new cars on DealerNet.

Introducing the all new dealer.net.com, the car selling service that puts your new car inventory in front of thousands of on-line buyers. In real time. Get links to your dealership Web site and a host of other new cutting-edge features. To hit a high note on the Net, call Cobalt today at 1-800-909-8244, ext. 200.

Free. Free. Free.

For a limited time only, you can post your new car inventory on DealerNet for free.* You heard it right. For free. But don't wait, you wouldn't want to end up singing solo.

*Free trial ends January 1, 1999, so sign up today!

Getting your share of the Net yet?™



ANNEX B

The
Patent



[Home](#) | [New & Used Buying](#) | [Research](#) | [Finance & Insurance](#) | [Service & Parts](#) | [Dealer Locator](#)

About DealerNet

Brought to you by [The Cobalt Group](#), the nation's largest publisher of automotive Web sites, DealerNet is the most comprehensive Internet site for conducting automotive research and finding vehicles in inventory at car dealerships across the United States. According to [100hot.com](#), DealerNet is one of the most popular automotive sites on the Web. Since 1994, millions of customers have used our free, no obligation service to submit purchase, service and parts requests to our network of over 500 accredited dealers.

The Patent Office
Trade Marks Registry

Cardiff Road
Newport
South Wales, NP9 1RH

Switchboard
01633-814000

Minicom: 0645 22250

With DealerNet, consumers can:

- [Research](#) model specifications, pricing and reviews
- Find new and used vehicles in dealer [inventory](#)
- Submit vehicle purchase [requests](#) to dealers
- [Calculate](#) finance and car insurance payments
- Request service [appointments](#) and submit parts requests
- Link to [dealer](#) Web sites

For more information, please choose one of the following links:

- I want to [participate](#) as a dealer.
- I am interested in [advertising](#) on DealerNet.
- I have general [comments & questions](#) about the DealerNet site.

[Home](#) | [New & Used](#) | [Research](#) | [Finance & Insurance](#) | [Service & Parts](#) | [Dealer Locator](#) | [About DealerNet](#)

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