

O-128-07

TRADE MARKS ACT 1994




IN THE MATTER OF APPLICATIONS Nos 2358344, 2375901, 2375900 &
2358343

BY INTERNATIONAL RETAIL SOLUTIONS GROUP LIMITED
TO REGISTER TRADE MARKS
IN CLASSES 9, 37 & 42

AND IN THE MATTER OF OPPOSITION
THERE TO UNDER NO 92858, 93366, 93367 & 93450
BY DIGI INTERNATIONAL INC.

BACKGROUND




1) On 15 March 2004 (re 2358344 & 2358343) and 15 October 2004 (re 2375901 & 2375900), International Retail Solutions Group Limited (formerly DigiPos Systems Group Limited) of applied under the Trade Marks Act 1994 for registration of the following trade marks:

Mark	Number	Effective Date	Class	Specification
  The applicant claims the colours blue and orange as an element of the second mark in the series.	2358344	15.03.04	9	Computer hardware, computers, servers, point-of-sale terminals, communications and networking systems, keyboards, display terminals, printers, proofing and encoding apparatus, document scanners, bar code scanners, computer software for use in the retail industry.
	2375901	15.10.04	37	Installation, maintenance and repair of computer hardware and peripheral equipment; installation, maintenance and repair of and technical support in the field of computer hardware for retail point-of-sale and store management.
			42	Design and development of computer hardware and software; consulting and design services relating to hardware and software for retail point-of-sale and store management; installation, maintenance, repair of, and technical support in the field of computer software for retail point-of-sale and store management.
DigiPoS DIGIPOS	2375900	15.10.04	37	Installation, maintenance and repair of computer hardware and peripheral equipment; installation, maintenance and repair of and technical support in the field of computer hardware for retail point-of-sale and store management.
			42	Design and development of computer hardware and software; consulting and design services relating to hardware and software for retail point-of-sale and store management; installation, maintenance, repair of, and technical support in the field of computer software for retail point-of-sale and store management.
DigiPos	2358343	15.03.04	9	Computer hardware, computers,

Digipos DIGIPOS				servers, point-of-sale terminals, communications and networking systems, keyboards, display terminals, printers, proofing and encoding apparatus, document scanners, bar code scanners, computer software for use in the retail industry.
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2) The opponent, Digi International Inc. of 11001 Bren Road East, Minnetonka, MN 55343, United States of America filed notices of opposition on 11 October 2004 (2358344), 28 April 2005 (2375901 & 2375900) and 26 May 2005 (2358343). The grounds of opposition are in summary:

a) The opponent is the proprietor of the following marks:

Mark	Number	Effective Date	Class	Specification
	1577042	04.07.94	9	Microcomputer hardware and microcomputer software programs for use in communications between digital electronic devices; all included in Class 9.
	2118197	09.12.96 expired 11.12.06	9	Microcomputer hardware and microcomputer software for use in communications between digital electronic devices.
DIGI INTERNATIONAL	1577044	04.07.94	9	Microcomputer hardware and software for data communications.
DIGIBOARD	1460708	08.04.91	9	Micro computer apparatus and instruments; computer programs; all for use in communications; all included in Class 9.
	CTM 3482511	Prior date 19.12.94 Pending	9	Computer Network Connectivity Hardware and Computer Network Connectivity Software.
			37	Maintenance and/or repair of computer network connectivity hardware.
			42	Consulting and design services for or in connection with computer network connectivity hardware and software; technical support in the field of network connectivity hardware; maintenance, repair and technical support in the field of network connectivity software.
DIGI INTERNATIONAL	CTM 3477023	Prior date 31.10.96	9	Computer Network Connectivity Hardware and Computer Network Connectivity Software.
			37	Maintenance and/or repair of computer network connectivity hardware.

			42	Consulting and design services for in connection with computer network connectivity hardware and software; maintenance, repair and technical support in the field of network connectivity hardware and software.
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b) The marks in suit are similar to the opponent's trade marks, and the goods and services applied for are identical or similar. The opponent has made substantial use of the above marks in the UK, and has created a considerable reputation in the said trade marks, and also in the marks DIGI, DIGI PORTSERVER, DIGI CONNECT, DIGI NEO and DIGI ONE.

c) The marks 2358344 and 2358343 are only opposed under Section 5(2)(b) by the opponent's four UK trade marks. The other two marks applied for are opposed using all six of the opponent's trade marks.

d) All the marks are opposed under Section 5(3) only by the opponent's UK trade marks.

e) All the marks are opposed under Section 5(4)(a) by the opponent's use of DIGI, DIGI PORTSERVER, DIGI CONNECT, DIGI NEO and DIGI ONE.

3) The applicant subsequently filed a counterstatement denying the opponent's claims. The applicant claims to have been trading under DIGIPOS since 1998. The applicant requested proof of use of the marks DIGI INTERNATIONAL and DIGIBOARD in relation to section 5(2)(b). It also denied that the opponent had any unregistered rights in DIGI, DIGI PORTSERVER, DIGI CONNECT, DIGI NEO and DIGI ONE, and does not admit any use of the opponent's marks as word marks. The applicant denied the opponent had reputation in these marks and puts the opponent to strict proof of use in relation to section 5(4)(a).

4) Both sides filed evidence in these proceedings. The cases were consolidated in March 2006. Both sides ask for an award of costs. The matter came to be heard on 14 February 2007 when the opponent was represented by Ms Clark of Counsel instructed by Messrs Burgess Salmon. The applicant was represented by Mr Charlton of Messrs Elkington & Fife LLP.

OPPONENT'S EVIDENCE (relates to all four applications)

5) The opponent filed a witness statement by Dieter Vesper the Sales and Finance Director of Digi International GmbH a subsidiary of the opponent company. This statement was filed three times and is dated 18 July 2005 (re 2358344), 1 December 2005 (re 2358343) and 9 December 2005 (re 2375900 & 2375901). The statements are identical with the following exceptions. The statement dated 9 December 2005 had additional material at paragraphs 17, 18 and paragraph 21(e) & (f). I shall show these additions separately and clearly marked as relating only to two of the applications. He states that he has worked for the company since 1997 and that he has direct responsibility for the sales operations of the opponent and its subsidiaries in Europe.

6) Mr Vesper states that the opponent is the market leader in the provision of serial connectivity solutions for business. He defines this term as the communication of data between computer serial ports and local area networks which allows serial devices (e.g. PC's or terminals) and peripherals (e.g. bar code scanners) to be placed far away from the computer servers with which they are used. He states that although the opponent changed its name from Digiboard Inc. to Digi International Inc. in 1989 the term Digiboard is still synonymous in the IT industry with serial expansion cards which expand the number of serial ports for computers in which they are installed. He states that the opponent's main products are: Port Server (terminal servers and device servers); Digi Connect (embedded modules or embedded device servers); Digi One (one port server); USB products; Digi Accelport Cards (serial expansion cards); wireless products; multi-modem adapters and Digi Neo (lightweight, non-intelligent, serial expansion cards).

7) He states that worldwide his company has sold devices with over 20 million ports since 1985 and the worldwide turnover is now in excess of US\$100 million. He states that the opponent has been trading in the UK for fourteen years with an expected turnover of £3 million for 2005.

8) Mr Vesper states that a core area of the opponent's business is at the point of sale. He states that the opponent has devoted considerable resource and had considerable success at marketing itself as a POS solutions provider, both worldwide and in the UK. His company offers an extensive range of solutions for retail applications under the DIGI trade mark, including device servers, terminal servers, Universal Serial Bus (USB) connectivity, environmental monitoring products and asynchronous serial cards. He states that these products enable retailers to easily connect and network-enable bar-code scanners, receipt printers, scales, cash registers, credit card readers or any type of POS peripheral device. At pages 5-14 of exhibit DV1 he provides extracts from the opponent's catalogue for 2004 which is available to the opponent's distributors and can also be downloaded from the opponent's website. This shows use of "DigiBoard", "Digi", "Digi Neo", "Digi One" and "Digi International". The emphasis is on point of sale equipment. The brochure also shows use of a number of other names for products such as "Watchport", "Wavespeed", "Acceleport". Mr Vesper provides dates when the brands were established and also estimated turnover for the year 2005 as follows:

Mark	Established	Estimated UK Turnover £
Digi	1985	
Digi Connect	2003	400,000
Digi International	2001	400,000
Portserver	1995	400,000
Digi Neo	2001	50,000
Digi One	2002	40,000

9) Mr Vesper also provides copies of pages from the opponent's website and also advertising material. These are for the most part not dated, however, where they are dated it is after the relevant date. He states that "Sainsbury and Tesco have used Digi solutions in their in-store systems to communicate with network servers". He also

states that Nordic ID has embedded modules in wireless hand-held scanners. He also claims that Menzies and Littlewoods use Digi products.

10) Mr Vesper states that the applicant sells and markets servers, terminals, keyboards and other peripherals for POS applications under the mark in suit. He states that it is therefore selling into the same market as the opponent. He also points out that the applicant advertises its connectivity which is core to the opponent's business. At page 48 of exhibit DV1 he provides copies of pages from the applicant's website which states that the applicant's "range of systems are purpose built retail and hospitality point of sale (pos) computers". Later it refers to the "increased connectivity to other pos devices". Mr Vesper points out that the two companies are in the same market and both are using DIGI marks as he states that the POS part of the applicant's DIGIPOS mark is simply and acronym for "point of sale.

11) In addition to the above the following was filed in relation to 2375900 and 2375901 only. Mr Vesper states that the opponent offers support and maintenance to customers via an internet support forum database of solutions, technical articles and frequently asked questions. It also offers repair and replacement of goods under warranty, free technical support and service agreements. He also provides the following views on the applicant. He contends that the applicant places emphasis on connectivity when marketing products and supplies complementary support and maintenance services under the mark Digipos.

APPLICANT'S EVIDENCE (paragraphs 12 & 13 relates to all four applications, paragraphs 14-20 relate to applications 2358343, 2375900 & 2375901 only)

12) The applicant filed five witness statements. The first by Peter John Charlton the opponent's Trade Mark Attorney was filed three times under different dates for the four applications. The statements, dated 26 October 2005, 1 March 2006 and 5 April 2006 are identical. I shall therefore treat them as a single statement. At exhibit PJC1 he provides a list of the UK and Community Trade Marks held by the opponent. There are a considerable number and a large number do not feature the prefix "Digi". At exhibit PJC2 he provides a list of marks on the UK Register which have the prefix "DIGI". He accepts that "state of the register" evidence is not usually persuasive but he states that the "exceptional number" shows that the prefix "DIGI" is commonplace for goods in Class 9. He notes that a large number of the marks have the word "DIGITAL" at their beginning. Mr Charlton provides pages from the Internet which back up this claim and show that the marks are used in the UK and are owned by companies other than the opponent. Amongst those marks that do not belong to the opponent are, *inter alia*: Digibox; Digicard; Digicare; Digidesign; Digidrive; Digiadaptor; Digimail; Digipass; Digiscan; Digi.

13) Lastly, Mr Charlton states that the term DIGI is defined by www.acronymfinder.com as "Digital".

14) The second witness statement, dated 28 March 2006, is by Henry James Barrell the Joint CEO of the applicant company. He provides a potted history of the company as follows:

“3. In 1994 PC-POS Ltd was formed in the UK, its main trading activity initially being the distribution of third party branded point of sale products to the retail sector. The company then started to design and develop its own product. Initially the product was called “EasyPos”, but by 1997 this name was dropped as a brand and the name DigiPos was adopted. In 2003 PC-Pos and DigiPos were split into separate legal entities. IRSGL [The applicant company] still trades under the name DigiPos Systems Group, following the name change of the company.

4. The “DigiPos” product initially was sold by PC-Pos Ltd alongside third party branded product to the channel. The majority of customers were Value Added Resellers (VAR’s). The sales of DigiPos product have grown consistently over the following years, to such an extent that we believe we are the number two supplier of point of sale systems in the UK. The primary “DigiPos” product is a fully integrated point of sale system, not a minor component of a complete system.”

15) Mr Barrell provides a number of exhibits as follows:

- Exhibit HB1: This shows details from the company website which details the history of the company and the products that the company offers. It is dated February 2006 but clearly the company history is unaffected. He draws attention to the case study on the website of Majestic Wine which it states sources all its POS system from the applicant.
- Exhibit HB2: This consists of three brochures. Two are for PC-POS dated 1999 and 2002/03 and the other for DigiPos dated 2002. All show use of Digipos in relation to POS equipment even showing packaging which states “PoS in a Box”.
- Exhibit HB3: Consists of promotional material for the UK which shows use of the DigiPos brand over the years 1998-2003 inclusive. It shows use on POS systems as well as individual items.
- Exhibit HB4: This shows the applicants’ current brochures, although they do not appear to be dated.

16) Mr Barrell provides turnover figures as follows, these are said to be “to the nearest half million”:

Year	Turnover £ Million
2000	2
2001	3
2002	3.5
2003	6
2004	7

17) Mr Barrell states that the company has spent an average of £150,000 on promoting the mark by way of brochures, mail-shots, exhibitions and conferences. He states that his company has been dealing with major customers for a number of years

and he provides instances amongst which, *inter alia*, are DKNY (2003), English Heritage (2001), Jessops (2002), Oasis (2002), Pets at Home (2002) and Spar (1999). He states that:

“11. Two of the present three trade mark applications relate to installation, maintenance, repair and technical support services, as well as consultancy services, relating to products and apparatus of my company as detailed in the above paragraphs. Whenever customers select our products they will be delivered and installed with the assistance of our DigiPos technical support team or by our related companies Vista or PC-Pos. I estimate that approximately 35% of the DigiPos installations are made by DigiPos engineers.

12. DigiPos provide a repair and maintenance services to customers for a contracted period, typically three years. In the UK my company has 121 service engineers and 80 dedicated support vehicles. Our support services include onsite visits, as and when requested or contracted, and online diagnostic tools. I believe that most of the customers set out in paragraph 10 above have received technical support from my company since the beginning of their relationship with us.”

18) The third witness statement, dated 22 March 2006, is by Les Thomas the IT Director of Instore retail (also trading as Poundstretcher). He states that he has twenty five years experience of working in IT within the retail sector and that he associates the name DigiPos with the applicant. He states that he has never heard of Digi International.

19) The fourth witness statement, dated 9 March 2006, is by James Bendon the Information Technology Director of Majestic Wine Warehouses Ltd. He states that he has worked in IT management for sixteen years and that he equates the name DigiPos with the applicant as a supplier and integrator of retail POS equipment. He states that he has never heard of a company called Digi International.

20) The fifth witness statement, dated 9 March 2006, is by Mike Padfield the IT manager of Mosaic Fashions Ltd, which trades as Oasis amongst other names. He states that he has worked in retail It for twenty years and is aware of the applicant as the supplier of retail POS hardware. He states he has never heard of a company called Digi International.

OPPONENT’S EVIDENCE IN REPLY (relates to all four applications with the exception of paragraphs 22, 23 & 24 which relate to applications 2358343, 2375900 and 2375901 only).

21) The opponent filed three witness statements in reply. The first is by Andrew Tibber the opponent’s solicitor. This was filed twice, once dated 19 January 2006 (re 2358344) and again dated 12 July 2006 (re 2358343, 2375900 & 2375901). The statements are identical with the exception of paragraphs 21-32 which I shall mark clearly as relating only to three of the four cases. He points out that of the eighteen pages of “digi” marks referred to by Mr Charlton almost half start with the word DIGITAL, there are also marks which begin with DIGIT and DIGIMON. Also included in the list are marks which have not yet been registered. In addition there are

many instances of duplication of marks. He also forensically examines the web pages provided by Mr Charlton and points out that many are in different fields of activity to the opponent. He also points out that the website that Mr Charlton referred to is an American site and that no entry exists for DIGI in the Oxford English dictionary. He also points out that the acronym POS is listed in the Oxford English Dictionary as meaning point-of-sale. Exhibit AT1 has documents which refer to all these points.

22) Mr Tibber points out that although the applicant filed evidence of members of the retail trade who were unaware of the opponent company, the opponent have filed statements by other members of the retail trade attesting to the opponents' reputation. Further, he states that the opponent attended the Retail Solutions exhibition in 2002, 2003, 2005 and 2006. He also claims that in 2003 the applicant did not attend under either Digi-Pos Systems or PC-Pos Ltd; and that the opponent was the only exhibitor listed whose name began with the prefix "Digi", and that only two exhibitors' names begin with "Digit". In 2004 and 2005 the applicant was listed as PC-Pos Limited (there was no company listed under "Digi"). He states that the 2006 exhibitor list shows only two companies with names beginning with "Digi". These are Digi International and DigiPos Systems. Mr Tibber states that the records at Companies House show that no associated company of the applicant was known by any variant of the name "DigiPos" prior to march 2003. He also claims that the domain names digipos-systems.com and digipos-systems.co.uk were first registered on 20 January 2003. At exhibit AT1 he provides documents which corroborate his statement.

23) In his statement dated 12 July 2006 Mr Tibber made the following comments which relate to 2358343, 2375900 and 2375901 only. He states that the opponent has attended UK trade shows such as Retail Solutions in the years 2002, 2003, 2005 and 2006. He states that at the 2003 show Digi International was the only exhibitor listed whose name began with the prefix "Digi". He notes that the applicant was not present. He states that in 2004 no exhibitor had a name beginning with the prefix "Digi" although PC-POS Limited was noted as being present. He provides information regarding the 2006 show which is not relevant. He states that records at Companies House show that no associated company of the applicant was known by any variant of the name "DigiPos" prior to March 2003. He states that Whois records show that the domain names digipos-systems.com and digipos-systems.co.uk were first registered on 20 January 2003. Lastly, he states that internet records show that PC-POS were still selling EasyPos (rather than DigiPos) products in January 1998 whereas the applicant (Mr Barrel) stated that the name EasyPos was dropped by 1997.

24) The second witness statement, dated 27 June 2006, is by Kim Harris the Managing Director of Entrix Computing Ltd. He states that he has 31 years of experience in the IT industry. He states that his company's main business is in the "sale and distribution of systems management and communications hardware to resellers, system integrators, manufacturers and endusers". He states that worldwide his company has 1500 customers including Sun and Rockwell. He states that approximately 90% of his company's turnover is generated within the UK, with 65% attributable to the opponent's products. He states that they have distributed the opponent's products since 1999. He states that the opponent has had a "significant reputation in the UK for at least 15 years for serial connectivity products". He states that the opponent's products are used in "all sorts of environments, including the retail environment". At exhibit KH1 he provides pages from his company's website which

relate to press releases of the opponent's products all of which are dated in 2006, after the relevant dates.

25) The third witness statement, dated 11 July 2006, is by Sacha Kakad the Managing Director of Westbase Technology Ltd. He states that his company sells and distributes serial communications products. He states that his company has distributed the opponent's products since 1988. He states that they marketed the products "at any industry that needed to connect its computer servers to peripheral hardware such as sensors, bar-code scanners, weigh scales and remote terminals, for which its connectivity solutions are ideal". Mr Kakad states that the retail sector has consistently accounted for a considerable proportion of his company's turnover in Digi products.

APPLICANT'S FURTHER EVIDENCE (relates to all four applications)

26) The applicant filed another witness statement, dated 7 August 2006, by Peter John Charlton the opponent's Trade Mark Attorney. At exhibit PJC1 he provides a copy of a letter written by the opponent's Trade Mark Attorney to the Registry, dated 6 August 1996, which states that the prefix DIGI is "extremely common" in Class 9. It continues "It is apparent from the above that the public are already well able to distinguish between DIGI- marks in Class 9 and that refusing registration of the two subject applications on the basis of other DIGI- marks would appear to be inappropriate". At exhibit PJC2 he provides another letter, dated 27 May 1997, from applications 1577042 and 1577044. The letter refers to two marks already on the register DIGICARD and DIGILINK. It states that these marks are coexisting in respect of specifications of goods which overlap. It continues: "Both these marks have the prefix DIGI and differ from one another only in their suffixes which are non-distinctive in relation to the goods which are covered. This fact alone indicates that the prefix DIGI is a weak one and that no one company can claim to have a monopoly in it." Later it continues: "The prefix DIGI is therefore extremely diluted in Class 9 and there can therefore be no question of consumers associating trade mark[s] including the component DIGI with any one particular company and thus no question of the trade marks DIGI INTERNATIONAL and DIGI + Device being confusable with the trade marks DIGICARD and DIGILINK in that they are no more similar to these two marks than they are to our client's own prior Registration No. 1460708 DIGIBOARD".

OPPONENT'S FURTHER EVIDENCE (relates to all four applications)

27) The opponent filed a further witness statement, dated 25 August 2006, by Andrew Tibber their solicitor. He refers to the evidence filed by the applicant regarding submissions made by the opponent when seeking to register its marks in 1996/97. He states that the opponent was contending that the objections should be waived as DIGI was not an abbreviation for "digital" and because other marks including the word DIGI had proceeded to registration. He continues at some length with his comments justifying the opponent's position when seeking registration which the applicant is suggesting is contradictory to its position now. Whatever the views of the Registry or the opponent during this exchange of correspondence I do not believe that such matters should be taken into account in the instant case.

28) That concludes my review of the evidence. I now turn to the decision.

DECISION

29) I first consider the position under section 5(2)(b) which reads:

“5.-(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.”

30) An “earlier trade mark” is defined in section 6, the relevant parts of which state:

“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,”

31) With regard to applications 2358344 and 2358343 the opponent is relying upon its four UK registered trade marks. In relation to applications 2375900 and 2375901 the opponent is relying upon all its UK and CTM registrations shown at paragraph 2 above. Both the four UK trade marks and the UK and CTM combined have effective dates of registration ranging from April 1991 to December 1996, and are clearly earlier trade marks.

32) The oppositions were filed on 11 October 2004 and 28 April 2005. I must therefore consider the position under The Trade Marks (Proof of Use, etc.) Regulations 2004, paragraph six of which states:

“6A Raising of relative grounds in opposition proceedings in cases of non-use.

(1) This section applies where-

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if-

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes-

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4) (relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

33) In the instant case the publication dates of the applications were 9 July 2004 (2358344) , 28 January 2005(2375900 & 2375901) and 4 March 2005(2358343). Therefore, the relevant periods for proof of use are 10 July 1999 – 9 July 2004, 29 January 2000- 28 January 2005 and 5 March 2000- 4 March 2005 respectively. I must first consider whether the opponent has fulfilled the requirement to show that genuine use of its marks have been made in each of the relevant periods.

34) The applicant put the opponent to strict proof of use with regard to its marks 1577044 DIGI INTERNATIONAL and 1460708 DIGIBOARD. It did not challenge

the opponent's other marks. The only evidence of use for these two marks is the statement by Mr Vesper where he states that they have been used but he does not state specifically that they have been used in the UK during the relevant period, nor does he provide details of the goods or services upon which these marks have been used. He does provide approximate turnover figures for each of these marks, but these figures relate to 2005, after the relevant date. There is a reference to DIGI INTERNATIONAL and DIGI BOARD (and device) in the 2004 catalogue. However, it is not clear from the statement by Mr Vesper whether this catalogue was distributed in the UK as he does not state that this occurred nor does he provide details of to whom it was distributed. In my view the opponent has not done enough to satisfy the demands under the proof of use regulation. Consequently these marks will not be considered when looking at Section 5(2)(b).

35) In determining the question under section 5(2)(b), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Mayer & Co. GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R 723. It is clear from these cases that:

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*;
- (b) the matter must be judged through the eyes of the average consumer, of the goods / services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel BV v Puma AG*;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*;
- (h) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG*;

(i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

36) In essence the test under section 5(2)(b) is whether there are similarities in marks and goods which would combine to create a likelihood of confusion. In my consideration of whether there are similarities sufficient to show a likelihood of confusion I am guided by the judgements of the European Court of Justice mentioned above. The likelihood of confusion must be appreciated globally and I need to address the degree of visual, aural and conceptual similarity between the marks, evaluating the importance to be attached to those different elements taking into account the degree of similarity in the goods, the category of goods in question and how they are marketed. Furthermore, I must compare the applicant's marks and the marks relied upon by the opponent on the basis of their inherent characteristics assuming normal and fair use of the marks on a full range of the goods and services covered within the respective specifications.

37) The effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act was considered by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen concluded at paragraph 17 of his decision:

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

38) I also have to consider whether the marks that the opponent is relying upon have a particularly distinctive character either arising from the inherent characteristics of the marks or because of the use made of them. The opposition is now reduced to two marks 1577042 and 2118197. Both have a device element. Registration 1577042

consists of the word DIGI inside an offset rectangle, whilst registration 2118197 consists of exactly the same mark except that it has the word “PORTSAVER” written in a small font alongside. The device element cannot be ignored but it is not particularly unusual or striking and the dominant element of both marks would be the word DIGI. In the second mark the word PORTSAVER is written in a much smaller font. It conveys the impression of being a secondary mark to the main “House” mark. The word DIGI is not defined in any dictionary else the applicant would have certainly filed evidence on this point. The best that could be found was a reference in an acronym website where the word DIGI was defined as meaning “Digital”. To my mind although the average consumer may wonder whether this is the inference that is being alluded to they would not be sure and would see it as a made up term. In my opinion, the opponent’s mark DIGI is inherently distinctive for the goods and services for which they are registered. However, I do not accept that the opponent has provided evidence to support its contention that it should benefit from an enhanced reputation.

39) At the hearing the opponent accepted that its strongest case was under 1577042. The applicant also accepted that there was overlapping of the specifications. However, I shall address this issue for the avoidance of doubt.

40) Although the applicant filed four applications two related to Class 9 only and the other two related to Classes 37 and 42 only. The specification for each individual Class was identical. I therefore need only to consider a single instance of each Class specification. The specifications of the two parties are as follows:





Applicant’s specification		Opponent’s specification 1577042	
Class 9	Computer hardware, computers, servers, point-of-sale terminals, communications and networking systems, keyboards, display terminals, printers, proofing and encoding apparatus, document scanners, bar code scanners, computer software for use in the retail industry.	Class 9	Microcomputer hardware and microcomputer software programs for use in communications between digital electronic devices; all included in Class 9.
Class 37	Installation, maintenance and repair of computer hardware and peripheral equipment; installation, maintenance and repair of and technical support in the field of computer hardware for retail point-of-sale and store management.		
Class 42	Design and development of computer hardware and software; consulting and design services relating to hardware and software for retail point-of-sale and store management; installation, maintenance, repair of, and technical support in the field of computer software for retail point-of-sale and store management.		

41) The opponent’s Class 9 specification is very wide ranging and encompasses the whole of the applicant’s Class 9 specification and they must therefore be regarded as identical goods.

42) The services of the applications cover, *inter alia*, design and development, consultancy services, installation, maintenance and repair and technical support of computer systems. Whereas the opponent's specification in Class 9 gives broad coverage for computer hardware and software for use in communications between electronic devices which, notionally, is for the same purpose as the applicant's services.

43) From the evidence it is clear that the respective goods and services are for the same, specialised purpose, and I find it quite feasible that one could be used as an alternative to, or in conjunction with the other, for example, the software may be used in the provision of the services. The physical nature of goods is obviously quite different to that of a service, even where the respective purposes are the same. The goods and services are likely to be selected after a high degree of consideration, and most likely will be used by well informed and knowledgeable persons. I consider that it is not beyond the realms of reasonable possibility that companies operating in this industry could provide both the software and the services. Whether or not this is the case, given their specialised nature, they would, at the very least, be in such close proximity that if sold under a similar brand name even a knowledgeable and expert consumer is likely to consider that they originate from a single undertaking.

44) I therefore turn to the marks of the two parties. For ease of reference I reproduce them below:

Applicant's marks	Opponent's mark
 	
	
DigiPoS DIGIPOS	
DigiPos	

45) Clearly, the opponent's mark forms the initial part of the applicant's marks. Visually and aurally they differ by the addition of the letters "POS" on the end of the word and also a difference in the device elements. As the applicant is seeking to register the marks in relation to "point-of-sale" goods and services, and as the applicant accepted at the hearing, the letters POS would be seen by the relevant industry as meaning "Point-of-sale" these letters would have little distinctive character as far as the average consumer, the retail industry, is concerned. Although the device elements of both marks are physically both quite large they are not particularly distinctive, and are overshadowed by the word elements. It is generally accepted that words speak louder than devices.

46) I do not believe that either mark has any conceptual meaning other than that attributable to the letters POS.

47) The applicant referred me to what can best be described as “state of the register” evidence. It was contended that the word DIGI was commonplace and was clearly a term which would be seen as meaning DIGITAL. I was also referred to a number of decisions by the Registry and also OHIM but none of these was on all fours with the instant case and were determined upon their individual circumstances.

48) Overall I believe that the similarities far outweigh the differences in the marks.

49) I must also consider the average consumer for the types of goods covered by all of the specifications outlined in paragraph 40 above. In my opinion, they would not be the general public but businesses, who are reasonably well informed and reasonably circumspect and observant. In my view, computers, computer software, computer services etc are not purchased without some consideration, not least the technical specifications and back up services would come under scrutiny. Although I must take into account the concept of imperfect recollection.

50) Although the issue of honest concurrent use was raised at the hearing it was accepted that it was but one factor which I would add to the global assessment. The evidence of use submitted by the opponent was such that it made this point difficult for the applicant to pursue with vigour.

51) Taking account of all of the above when considering the marks globally, I believe that there is a likelihood of consumers being confused into believing that the goods and services provided by the applicant are those of the opponent or provided by some undertaking linked to them. The opposition under Section 5(2)(b) therefore succeeds against all of the applicant’s applications in all classes.

52) Given this finding I do not need to consider the opponent’s pending CTM application although given that it is for the same mark and for goods and services in Classes 9, 37 and 42 it could only make the opponent’s case stronger. Also I do not need to consider the grounds of opposition under Sections 5(3) or 5(4)(a). However, the absence of evidence of use would have made it very difficult for the opponent to get past the first hurdle, reputation and goodwill respectively, on these grounds.

53) As the opponent was successful with regard to its oppositions to all four of the applications it is entitled to a contribution towards its costs. This consists of four notices of opposition, two sets of evidence and one hearing fee. I order the applicant to pay the opponent the sum of £4,800. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 14th day of May 2007

**George W Salthouse
For the Registrar,
the Comptroller-General**