

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No 2180091
BY SIGNUM TECHNOLOGIES LIMITED
TO REGISTER THE TRADE MARK:
VERIDATA
IN CLASS 9**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No 49792
BY VERIFONE, INC**

TRADE MARKS ACT 1994
IN THE MATTER OF Application No 2180091
to register the trade mark: VERIDATA
in class 9
and
IN THE MATTER OF Opposition thereto under No 49792
by Verifone Inc

Background

1. On 21 October 1998 Signum Technologies Limited of Cheltenham applied to register the trade mark **VERIDATA**. The application was published with the following specification:

computer software for handling and processing digital data and digital images; validation software and detection software for use in ensuring integrity and authenticity of digital and data images; software development kits comprising sample source code, test images and libraries to support operating systems, all relating to digital data and images - class 9

2. On 21 May 1999 Verifone Inc. of Santa Clara, California, USA filed notice of opposition to this application.

3. The opponent originally pleaded various grounds of opposition. However, at the hearing the grounds of opposition were restricted to section 5(2)(b) on the basis of the following trade mark registrations:

- United Kingdom trade mark registration no 1370807 of:



which is registered in respect of the following goods:

computers; computer programs; computer printers; scanners; input and output apparatus and parts and fittings therefor; modems; data terminals; credit card and transaction processing terminals; all included in Class 9

- Community trade mark registration no 520817 of **VERISMART** which is registered in respect of the following goods and services:

computer hardware and computer software; electronic data terminals, telephones and data communications devices which accept smart cards, credit cards and debit cards and other authorization devices, and software for use therewith, all for processing, authorizing and transferring credit and debit card transactions, stored value transactions, payments, account balances, financial data and other information presented thereto, and for use with on-line services, data processing systems, communications utilities, personal financial services, point-of-sale or

service systems, and financial transactions information and approval systems - class 9

printed matter, catalogues, leaflets and brochures; user and instruction manuals for computer hardware and computer software - class 16

computer services; research, consultancy, and support services relating to computer hardware and computer software; computer programming; provision of access to computer databases - class 42

- Community trade mark registration no 823468 of **VERISIGN** which is registered in respect of the following goods and services:

computer hardware and computer software - class 9

financial services; electronic check, credit card, smart card, debit card and digital certificate services; point-of-sale and point-of-purchase security, access, authorization, authentication, encryption and identification services - class 36

production, design, implementation, maintenance, testing, analysis and consulting services for security, access, authorization, authentication, encryption and identification systems for computers, computer hardware and computer software and computer networks - class 42

4. It is to be noted that the above registration is not in the name of the opponent but in that of VeriSign, Inc.
5. The opponent claims that the above trade marks are similar to the application in suit and encompass identical and/or similar goods and consequently that there is a likelihood of confusion.
6. The applicant filed a counterstatement denying the above grounds.
7. Both parties seek an award of costs.
8. The matter came to be heard on 8 November 2001 when the opponent was represented by Mr Edenborough of Counsel, instructed by A1 Trade Marks and Service Marks. The applicant was not represented at the hearing but Mr Caddy of A.R.Davies & Co. furnished a skeleton argument and submissions, which I take fully into account in my decision.

Opponent's evidence

9. The opponent's evidence consists of a statutory declaration dated 6 January 2000 by Philip Armiston Redman, who is the trade mark agent of the opponent. The contents of the declaration can be characterised as representing submissions rather than evidence of fact and so I do not consider it necessary to say anymore about them.
10. A second statutory declaration dated 6 January 2000 is furnished by Michael Williams who is the company secretary and finance controller of VeriFone (UK) Limited.

11. Mr Williams states that the approximate annual turnover of his company has been as follows:

1995	£18,360,000
1996	£25,335,000
1997	£24,978,000
1998	£20,520,000
1999	£16,516,000

12. He states that all the above sales have been under the house mark VERIFONE together with other VERI- marks "as are relevant to the products concerned". Mr Williams states that the opponent has used the following trade marks:

VERIPHONE (I assume that this represents a clerical error for VERIFONE) for electronic payment systems and credit card authorisation equipment from March 1988.

VERITALK for software distribution and terminal management systems from November 1999 (after the relevant date).

VERISMART for consumer driven smart card applications from August 1998.

VERISIGN for digital certification of identity from March 1998.

13. Mr Williams states that sales have been made throughout the United Kingdom.

14. Mr Willimas states that the opponent has spent the following in relation to promotional expenditure:

1995	£410,349
1996	£443,406
1997	£358,417
1998	£349,645
1999	£207,904

15. The relevant date for the instant proceedings is 21 October 1998. Consequently the figures in relation to turnover and promotional expenditure for 1998 and 1999 do not have a bearing upon the instant proceedings. (I have no way of knowing how much of the figure for 1998 could be allocated for the period up to the relevant date.)

16. Mr Williams lists publications in which the opponent has placed advertisements and trade exhibitions where he has exhibited.

Applicant's evidence

17. The applicant's evidence consists of statutory declaration dated 10 August 2000 by Graham Shaw who is the managing director of the applicant.

18. Mr Shaw explains the purposes of the software of the applicant. He states that put simply it provides a means of checking digital information and data for signs of tampering. He states that he considers this different to the purpose of the goods of the opponent. Mr Shaw states that his is not a product that can be purchased from a shop shelf or via the internet. He states that the cost

of a licence to use his product ranges from £500 to £4,000 plus VAT and thus a great deal of consideration goes into the purchase of the goods.

19. The applicant also furnished a statutory declaration dated 30 August 2000 by Michelle Tew who is a trade mark agent. Much of the evidence can be characterised as being state of the register of evidence and includes various printouts in relation to applications and registrations. She states that this evidence shows that the opponent does not have a monopoly in VERI prefixed trade marks.

20. Ms Tew refers to a registration for VERISIGN in the name of Verisign Inc, she states that this is identical to one of the opponent's registrations and is registered for identical/similar goods and services. She also exhibits information about Verisign Inc from the Internet. This information was downloaded on 11 April 2000. The web pages gives a copyright date in relation to VeriSign, Inc of 1999. Both dates are from after the relevant date and so do not have a bearing upon the instant proceedings.

Decision

21. Sections 5(2)(b) of the Trade Marks Act 1994 reads as follows:

Section 5:

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

(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.

22. The term 'earlier trade mark' is defined in section 6 of the Act 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."

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] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc* [1999] E.T.M.R. 1, *Lloyd Schuhfabrik Meyer & 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* page 224;

(b) the matter must be judged through the eyes of the average consumer of the goods/services in

question; *Sabel BV v. Puma AG* page 224; 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.* page 84, paragraph 27.

(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* page 224;

(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* page 224;

(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* page 7, paragraph 17;

(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* page 8, paragraph 24;

(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* page 224;

(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* page 732, paragraph 41;

(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* page 9 paragraph 29.

Comparison of goods

23. The specifications of the earlier registrations all include either computer programs or computer software at large. The goods of the application in suit are all types of computer software and so are encompassed by computer programs or computer software and consequently the respective goods are identical.

Comparison of signs

24. The trade marks to be compared are as follows:

Earlier registrations:



Application in suit:

VERIDATA

VERISIGN

VERISMART

25. Mr Edenborough submitted that the opponent's three trade marks represent a family of marks.

26. In the *THE INFAMOUS NUT COMPANY LIMITED v BY PERCY DALTON (HOLDINGS) LIMITED* -BL 0/411/01 (unpublished) Professor Annand, acting as the appointed person, stated that:

“In some circumstances, it may be possible for the opponent to argue that an element in the earlier trade mark has achieved enhanced distinctiveness in the eyes of the public because it is common to a “family of marks” in the proprietorship and use of the opponent (*AMOR*, Decision no 189/1999 of the Opposition Division, OHIM OJ 2/2000, p. 235).”

An essential element for a family of trade marks to be established is that they have been in use - *Beck Koller & Co's application* [1947] 64 RPC 76. Although the latter case was under the old law the principle is still good. The essence of the argument for a family marks is that the public will see a common element as indicating a particular origin. If the trade marks are not in use the public cannot make any such connection; they are not in the habit of consulting registers of trade marks. For a family of marks to be considered in relation to the instant proceedings the opponent has to substantiate use at the relevant date - 21 October 1998.

27. In relation to VERISIGN and VERISMART the opponent has adduced no exhibits to show how the trade marks have been used in the United Kingdom. He also has given no turnover figures in relation to these particular trade marks. In the statement of grounds the opponent states that VeriSmart was first used in Europe in Eire 10/03/1999 - after the relevant date. However, Mr Williams in his declaration states that it was first used in the United Kingdom in August 1998. It strikes me that the information in the statement of grounds is very specific in terms of both date and location and an explanation is required as to the discrepancy with the information in the statutory declaration. No explanation is given of this discrepancy. The trade mark VERISIGN is actually registered in the name of a completely different legal entity. The opponent asserts that it is used by him with the consent of the owner. No documentation has been adduced in relation to this assertion. In addition, as there is no matter exhibited in relation to the actual use of the signs in the United Kingdom it is not possible to ascertain if the use would indicate the opponent as the source of origin. The existence of the trade mark in the ownership of a third party prima facie undermines any claim as to its forming a part of a family of marks for the opponent.

28. Mr Edenborough submitted that in considering the issue of a family of marks cognisance should be taken of two of the mark - VERISIGN and VERISMART - simply being on trade marks registers. As I have stated above it is use of trade marks that can give rise to a family of marks. On the basis of the evidence before me the opponent has failed to demonstrate that he uses a family of trade marks.

29. There is no requirement for the opponent to have a locus standi in the proceedings. As Mr Hobbs, acting as the Appointed Person, in *Wild Child case* [1998] 14 RPC 455 at 458 stated:

“Moreover there appears to be no requirement under the Act for the person claiming an earlier protection for an “*earlier right*” to be the proprietor of the right for which protection is being claimed: see sections 38(2), 46(4) and 47(3).”

Consequently the opponent can rely upon a registration which is not in his ownership, as is the case of the VERISIGN registration.

30. Section 5(2)(b) speaks of registration being refused on the basis of an earlier trade mark (as defined by section 6). Thus where the opponent relies on proprietorship of more than one earlier trade mark, the registrability of the applicant’s mark must be considered against each of the opponent’s earlier trade marks separately (*ENER-CAP Trade Mark* [1999] RPC 362).

31. The common element of all the signs is the prefix VERI.

32. Visually, owing to the device element, of the three earlier registrations the VeriFone trade mark is the furthest away from the application in suit. The word element of the VeriFone trade mark and VERIDATA share a common format in that they both begin with the prefix VERI which is conjoined with a word which gives a direct reference to the goods or the purpose of the goods. (I think that little turns upon phone being spelt Fone, owing to its phonetic identity with phone I consider that it will be very much seen as this word.)

33. VERISIGN and VERISMART follow the same pattern of VERI conjoined with a word that gives a direct reference to the purpose of the goods.

Conclusion

34. There is a clear similarity in the VERI elements of the respective trade marks. However, whether this similarity is such as to give rise to a likelihood of confusion requires some consideration.

35. The applicant has referred to the state of the register evidence. I have considered the data and consider that most of the trade marks referred to are not on a par with those under consideration herein. The only trade marks that follow the same pattern of VERI conjoined with a word that directly refers to the goods or their purpose and relate to computer software are:

VERISIGN
VERILOG
VERITIME

VERIFault
VERICOLOR
VERICUT
VERISCAN
VERIFIRE
VERICORE
VERIDIAL
VERIFYRE
VERILOG

36. State of the register evidence tells one very little, it does not tell one what is happening in the market place.

In *Treat (1996) RPC 281* Jacob J stated:

“In particular the state of the register does not tell you what is actually happening out in the market and in any event one has no idea what the circumstances were which led to the Registrar to put the marks concerned on the Register. It has long been held that under the old Act that comparison with other marks on the Register is in principle irrelevant when considering a particular mark tendered for registration, see *e.g. MADAME Trade Mark* (1966 RPC 541) and the same must be true of the 1994 Act. I disregard the state of the register evidence.”

This is a well rehearsed argument and one that I adopt. The only evidence of use of another trade mark furnished by the applicant relates to VERISIGN - which ironically forms part of this opposition. However, this evidence emanates from well past the relevant date and so tells me nothing about the position at the relevant date. It is also evidence from a web site and so tells me little about the position in the United Kingdom. Even if the details from the web site had been from before the relevant date this would have told me very little. As Jacob J stated in *800-FLOWERS* [2000] FSR 607:

“the mere fact that web sites can be accessed anywhere in the world does not mean, for trade mark purposes, that the law should regard them as being used everywhere in the world”

37. The applicant has argued that the VERI element is non-distinctive as it will be seen as meaning VERIFY. This is obviously an argument of importance as per *Sabel* my global appreciation of the respective trade marks must include their distinctive and dominant components. The opponent in his submissions asserted that the various trade marks have a common conceptual association as they all allude to the verification of something. I have had no evidence before me which shows that the VERI prefix will be seen as meaning verify. As this is an important element of the applicant’s case it is surprising that he did not furnish evidence to give some weight to his claim.

I have checked in “Collins Dictionary” and it is certainly not recorded as being an abbreviation for verify. From painful and heavy years of studying Latin I can see VERI as being a prefix that relates to truth in various words *e.g.* verisimilitude, verisimilar, verity etc., however, I do not see it as alluding to verify. I do not believe that the purchaser is likely to make a philological analysis

of a trade mark, and even if he did he would have a prefix that alluded to true, not verify. I cannot, therefore, agree with the applicant that VERI will be seen as meaning verify; nor even with the opponent that it has an allusion to verify. (Consequent upon this I cannot find that any of the respective signs enjoy a conceptual association.)

38. In each of the signs under consideration the second word element is clearly descriptive: FONE for phones, SMART for smart technology, SIGN for the act of making a signature and DATA for data. In this context the VERI element is very much the distinctive and dominant element of the various signs.

39. The applicant has made reference to taking into account how the earlier registrations are used in the consideration of likelihood of confusion.

40. I follow *React Trade Mark* [2000] RPC 285 at page 288 and approach the matter on the basis of a notional and fair use of the earlier registration, and then to compare that with a notional and fair use of the application in suit.

41. The applicant has made submissions in relation to the breadth of the specifications of the earlier rights. I accept that the terms computer programs and computer software encompass a very wide area of software. As indicated in the submissions of the applicant the United Kingdom registration of the opponent is open to revocation action for non-use. No such action has been launched to the best of my knowledge. In relation to the two Community registrations upon which the opponent relies there is no such avenue. The specifications of the earlier registrations are broad specifications and I must accept the breadth of these specifications.

42. The applicant has also argued that consideration should be given to the nature of the purchasing decision in relation to his goods; that they are specialist goods. However, goods that have a specialist function are not per se for specialists only. There is nothing in the specification of the application in suit which stops the goods being for use by a general public; they could be “bundled” with other software. Just as anti-viral software has a specialist function but is often “bundled” with other software. In considering the issue of likelihood of confusion the European Court of Justice puts much emphasis upon the end user. In the instant case the end user could be the non-computer specialist who simply wishes to purchase the goods for a particular purpose. I do not find the argument of the applicant that such decisions will be invariably in the hands of IT professionals convincing. IT professionals might advise but it is often non-specialists who decide on the purchase of software. I also consider that the global appreciation means that I have to take into account the goods and the signs; for the argument of the applicant to hold good there must be something in the signs that allows for discrimination to avoid a likelihood of confusion. It also needs to be taken into account that owing to the general nature of the specifications of the earlier rights there is nothing that precludes the earlier registrations being used for identical goods. This potential use on identical goods also militates against accepting the applicant’s argument that there has been no evidence of confusion. There might have been no confusion; although this is difficult to prove, as are all negatives. However, this does not tell me what might happen if the earlier registrations were used in relation to identical goods.

43. Mr Edenborough submitted that use of the trade mark VeriFone and device should be added into the equation. I have always presumed, perhaps naïvely, that the purpose of having a trade mark registration is for it to be used. I do not see that that a registered trade mark is used gives

an opponent an enhanced penumbra of protection. I accept that part of the global appreciation according to *Sabel* is public recognition. The European Court of Justice has not stated what actually would represent this public recognition. Consequently I am guided by the findings of Mr Thorley QC, acting as the Appointed Person, in *DUONEBS* (BL 0/048/01) (unpublished) where he stated:

“In my judgment, I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that ECJ was seeking to introduce into every comparison required by section 5(2), a consideration of the reputation of a particular existing trade mark.”

44. I find that the evidence of the opponent does not indicate or demonstrate that his trade mark VeriFone and device is a household name even with those who are au fait with electronic payment systems and credit card authorisation equipment. I, therefore, do not find that the opponent enjoys an enhanced penumbra of protection in relation to his VeriFone and device registration.

45. As part of the global appreciation of the respective signs I need to take into account the interdependency principle, identical goods are involved.

46. In his skeleton Mr Edenborough referred to *Rayleigh International Trade Mark* [2001] RPC 202, 209-213. Much of this deals with the case of the European Court of Justice and in so much as it does I consider it appropriate to consider the source authorities as I have (see above). However, I do consider the following an important rehearsing of the position in relation to the likelihood of confusion:

“Similarities between trade marks cannot eliminate differences between goods or services; and similarities between goods and services cannot eliminate differences between marks. So the purpose of the assessment under section 5(2) must be determine the net effect of given similarities and differences.”

47. The respective goods are identical and there are similarities between the earlier registrations and the application in suit.

48. In reaching a decision in relation to the likelihood of confusion I have particularly borne in mind the following comments of the European Court of Justice in *Canon*:

“Accordingly, the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings, constitutes a likelihood of confusion within the meaning of Article 4(1)(b) of the Directive (see *SABEL*, paragraphs 16 to 18).”

49. In the word element of VeriFone and the other earlier registrations a common pattern is followed, as stated above: the VERI element and a word that appears to identify the purpose or nature of the goods. I consider that there is a high likelihood that the public will see the second element very much as a descriptor and so the VERI element will be the key distinctive element. I also consider that the public is likely to perceive this pattern and so note it when it is reproduced.

50. I consider that in relation to the VeriFone and device trade mark and the trade mark VERIDATA that the public might readily believe that the goods of the application in suit emanate from the opponent and taking into account all the above factors that there is a likelihood of confusion. In reaching this conclusion I take into account that the earlier registration includes a device element. However, as per the common trade marks aphorism words speak louder than devices and I consider that the earlier registration will be very much identified by its word element. This is the element which I consider will be most readily referred to and recalled, especially taking into account the abstract nature of the device element.

51. I consider that in relation to the VERISMART trade mark and the trade mark VERIDATA that the public might readily believe that the goods of the application in suit emanate from the opponent and taking into account all the above factors that there is a likelihood of confusion.

52. I consider that in relation to the VERISIGN and the trade mark VERIDATA that the public might readily believe that the goods of the application in suit emanate from the opponent and taking into account all the above factors that there is a likelihood of confusion.

53. (It is, of course, a ready extrapolation from the above that there could be a likelihood of confusion in relation to the trade marks in the ownership of the opponent and that in the ownership of VeriSign, Inc. However, this is not an issue that is before me nor one that I have to take into account. It is also a matter that might have been resolved by co-existence agreements, licensing arrangements etc. It is a matter that illustrates the continuing validity of *MADAM*, that the state of the register does not tell us about the state of the market.)

54. I find that there is a likelihood of confusion in relation to each of the earlier registrations upon which the opponent relies and that in relation to each of the earlier registrations the application in suit should be refused. I, therefore, find that the application in suit is refused in its entirety.

55. The opponent is entitled to a contribution towards his costs and I therefore order the applicant to pay him the sum of £835. This sum is 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 16 day of November 2001

**D.W.Landau
For the Registrar
the Comptroller-General**