

O-253-04

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2299563
BY THE NUMBER UK LIMITED
TO REGISTER A TRADE MARK IN CLASSES 16 AND 38**

AND

**IN THE MATTER OF OPPOSITION THERETO UNDER No. 91570
BY BRITISH TELECOMMUNICATIONS PLC**

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by The Number UK Limited to register a trade mark
in Classes 16 and 38**

and

**IN THE MATTER OF Opposition thereto under No. 91570
by British Telecommunications PLC**

BACKGROUND

1. On 2 May 2002 The Number UK Limited applied to register the trade mark 118551 in Classes 16 and 38 of the register for the following specifications of goods and services:

Class 16:

Paper; cardboard; paper and cardboard articles; printed forms; printed matter; printed publications; catalogues; newspapers, magazines, journals, books, booklets; pamphlets; reference books, annuals and periodical publications; programmes; graphic representations; graphic reproductions; stationery; calendars; diaries; address books; bookmarkers; paper knives; paperweights; writing pads; envelopes, pens, pencils; signboards made of paper or of cardboard; year and holiday planners; wall charts; albums; stickers; scrapbooks; postcards; posters; photographs; stickers; wrapping and packaging materials; document folders; loose-leaf binders; instructional and teaching materials; writing materials; manuals; photographic albums; maps; atlases; bookbinding materials; charts; brochures; leaflets; prospectuses; advertisement boards of paper or cardboard; billboards of paper or cardboard; advertisements (printed matter); advertising leaflets, posters, publications, signboards; advertising signs of paper or cardboard; paper articles, periodicals, lists and directories; tapes and cards, all for the recordal of computer programs and of data computer programs in printed form; office requisites; advertising and promotional materials; web pages downloaded from the Internet in the form of printed matter; directory covers.

Class 38:

Telecommunication and broadcasting services; the operation of information services and information given by an operator, including telephone and facsimile numbers and/or information concerning addresses and/or other information; operation of public telephones; transmission of messages; issuing telephone cards; rental of telecommunications facilities; transmission of electronic information, accessible by telecommunications or data networks.

2. The application was accepted by the Registrar and published in the Trade Marks Journal.

3. On 18 March 2003 British Telecommunications PLC filed Notice of Opposition against the application. In summary, the grounds of opposition were:

- a) Under Section 3(1)(b); or Section 3(1)(c); or Section 3(1)(d) of the Act; because the mark 118551 is devoid of distinctive character in relation to the relevant goods and services; consists exclusively of a sign or indication which may serve in trade to designate the kind, intended purpose, the time of producing goods or of rendering of services, or other characteristics of goods or services; or consists exclusively of a sign or indication which has become customary in the current language or in the bona fide and established practices of the trade;
- b) Under Section 3(3)(a) of the Act because the mark is contrary to public policy on the grounds that it would be injurious to the interests of the state and/or community;
- c) Under Section 3(3)(b) of the Act as the mark would be of a nature to deceive the public on grounds identical to Section 3(3)(a) (above);
- d) Under Section 3(6) of the Act as the application was made in bad faith.

4. The applicant's Statement of Case submits that there is an internationally recognised standard number for directory enquiry and/or classified directory services. It is a telephone number with the digits 118 as a prefix. On or about 19 September 2001 The Office of Telecommunications (OFTEL) proposed that the UK directory enquiry services would in future be operated on the register of telephone numbers beginning with the three digits 118, thus all directory enquiry services and classified directory services operate in the UK from a telephone number of six digits commencing with the numbers 118.

5. The applicant goes on to explain that the "golden" numbers within the registry of '118XXX' numbers (including 118-500) were allocated to applicants by OFTEL by means of a lottery which took place on 21 and 22 May 2002. As a result of the lottery British Telecommunications PLC (the opponent) was allocated 118500. Where no competing applications were made for a particular number, then it was allocated on a "first come, first served" basis.

6. The opponent submits that the mark applied for resembles a telephone number with a common 118 prefix which will result in confusion to the public in relation to similar 118 prefixed telephone numbers and that third parties will be unable to exploit similar 118 prefixed numbers allocated by OFTEL.

7. The applicant filed a Counterstatement denying the grounds of opposition.

8. Both sides have filed evidence and asked for an award of costs in their favour. They both requested a written decision, without recourse to the prior hearing suggested by the Registry. Neither party forwarded written submissions for the Hearing Officer's attention.

Opponent's Evidence

9. The opponent's evidence comprises a witness statement by Francesca Ifechukwunyem Maria Nwaegbe dated 14 October 2003. Ms Nwaegbe is a trade mark attorney for BT Group Legal which acts as an agent for the opponent.

10. Ms Nwaegbe refers to Exhibit FIMN1 to her statement which is a copy of the OFTEL "Specified Numbering Scheme Allocation of Numbering Capacity" dated 16 July 2002, evidencing the allocation to the opponent of 118500 (and also 118505).

11. Ms Nwaegbe explains that the "118" range is subject to European Union jurisdiction in that "118" has been mandated as a common EU code for access to DQ services across member states. Consequently, "118" prefixed telephone numbers are access codes, which are controlled by OFTEL in the UK. In support, Ms Nwaegbe refers to an OFTEL document entitled "Access Codes: Options for the Future", dated May 2000 and exhibited as FIMN2 to her statement. Also, an official OFTEL publication entitled "Allocating Access Codes for Directory Enquiry Services", dated 1 March 2002 and exhibited As FIMN3. In relation to the latter document, Ms Nwaegbe draws attention to Chapter 2 which mentions OFTEL's ability to, in certain circumstances, withdraw DQ codes from allocates and return them to the "pool for re-allocation". She submits that this confirms that the allocatees do not own and have no proprietary right in the OFTEL allocated DQ numbers.

12. The opponent goes on to submit that:

- (i) OFTEL is itself aware of a possibility of confusion arising;
- (ii) actual customer confusion has occurred since launch of the prefixed "118" access codes and corresponding DQ services which, Ms Nwaegbe states is evidenced by Exhibit FIMN4 to her statement, a British Telecommunications market research report entitled "The Decline of Directory Enquiries", which points to confusion as being one of the major factors in the declining call volumes in DQ services;
- (iii) customer confusion has been identified and reported in the media and at Exhibit FIMN5 are copies of articles from newspapers etc.

13. Ms Nwaegbe submits that if the mark in suit is registered, the applicant will have grounds to prevent others from using or registering similar 118 prefixed numbers in relation to the same/similar goods and services. She goes on to state that Annex C of her Exhibit FIMN3 "Allocating Access Codes for Directory Enquiry Services" shows that OFTEL recognised the potential confusion between 118 prefixed numbers that were identical to the number under which an existing customer or DQ services was operating. Ms Nwaegbe contends that OFTEL considered its hands tied in the case of DQ codes for non-existing such services and draws attention to paragraphs 2.3.5, 2.3.9 and 2.3.11 of FIMN3 mentioning trade mark issues because OFTEL "cannot take this into account when allocating DQ codes as the issue is not covered by the operators' license or the Numbering Conventions. OFTEL will therefore not protect DQ

codes that may be considered as trade marks or ‘www.’ Domain names, (except where they have already been protected as problematic)”.

Applicant’s Evidence

14. The applicant’s evidence consists of a witness statement by Nicholas Hole dated 15 January 2004. Mr Hole is the Deputy Managing Director of The Number UK Limited (the applicant company).

15. Mr Hole admits that there exists in the UK a recognised standard for DQ telephone numbers, all of which must start with the prefix 118, but his company does not accept that all 118 prefixed numbers are confusingly similar to each other. He draws attention to Exhibit NH1 to his statement, which contains details of eight registered UK trade marks for six digit numerals prefixed with 118 in the proprietorship of Conduit Enterprises Ltd, Dial IT Communications Ltd, Yell Ltd and Orange Personal Communications Services Ltd.

16. Mr Hole draws attention that the opponent has filed trade mark applications for the numerals 118505, 118404, 118707 respectively and has forwarded supporting documentation to this effect.

17. Mr Hole points out that the opponent has filed no evidence of confusion between the trade mark in suit and the opponent’s DQ allocated telephone numbers. He adds that the market survey exhibited as FIMN4 to Ms Nwaegbe’s statement refers to no specific confusion between any DQ telephone numbers per se, but rather general confusion amongst the population since deregulation of the DW services. Mr Hole submits that such confusion is understandable given that following the withdrawal of the 192 number monopoly in 2003, customers were provided with a choice of at least 15 different DQ services all prefixed with the number 118. Turning to the press articles etc. at Exhibit FIMN5 to Ms Nwaegbe’s statement, Mr Hole contends that the general theme relates to the general feeling of bewilderment due to the almost simultaneous launch of at least 15 DQ services with the prefix 118, rather than confusion of one DW number with another.

18. Mr Hole goes on to draw attention to a list of DQ numbers scheduled within Exhibit FIMN5, which states that besides the opponent’s 118500 DQ number there exists allocated DQ numbers 118508 (Viking Radio Limited), 118511 (Centrica) and 118543 (ICB). He suggests that OFTEL would not have allocated these numbers if he felt that there was a serious risk of confusion between these numbers and the 118500 number allocated to the opponent.

19. Mr Hole explains that his company applied to OFTEL for DQ number 118551 and it was allocated this number on or around 28 April 2002, which was before the lottery at which the opponent was allocated 118500. He adds that at the date of application for the mark in suit, the applicant had a bona fide intention to use the mark on those goods and services for which protection is sought.

20. Turning to the opponent’s claims that OFTEL recognised the potential for confusion between 118 prefixed numbers that contained a suffix identical to a number already in use by existing customers or under which a DQ service was operating, Mr Hole submits that the

rationale behind de-regulation was to open up the market to competition and that the allocation of such codes was seen by OFTEL as merely providing an unfair monopoly given the prior associations in relation to such numbers.

Opponent's Evidence in Reply

21. This consists of a further witness statement by Francesca Ifechukwunyem Maria Nwaegbe dated 20 April 2004.

22. In relation to the 118 prefixed marks mentioned in Exhibit NH1 to Mr Hole's statement, Ms Nwaegbe states that none contain a "5" suffix sequential series and other suffix sequential series owned by different parties.

23. This completes my summary of the evidence filed in this case. I turn now to the decision.

DECISION

Section 3(6)

24. Firstly, I turn to the bad faith ground. Section 3(6) of the Act states:

"A trade mark shall not be registered if or to the extent that the application is made in bad faith."

25. In the present proceedings the opponent's case on this ground amounts to a general assertion. There is no evidence specifically directed to the bad faith issue as such.

26. The applicant in its evidence explains the background to its allocation of DQ number 118551 by OFTEL and its subsequent trade mark application and confirms the applicant's intention to use the mark on the goods and services for which protection is sought.

27. In *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367, Lindsay J considered the meaning of "bad faith" in Section 3(6) of the Act and stated (at page 379):

"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined. Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances."

28. In a decision of the Appointed Person on the *Royal Enfield Trade Marks* [2002] RPC 24, paragraph 31, Simon Thorley QC in relation to Section 3(6) stated that:

“An allegation that a trade mark has been applied for in bad faith is a serious allegation. It is an allegation of a form of commercial fraud. A plea of fraud should not lightly be made (see Lord Denning M.R. in *Associated Leisure v Associated Newspapers* (1970) 2QB 450 at 456) and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v Garrett* (1878) 7 Ch. D. 473 at 489. In my judgment precisely the same considerations apply to an allegation of lack of bad faith made under Section 3(6). It should not be made unless it is distinctly proved and this will rarely be possible by a process of inference.”

29. Bad faith is a serious allegation and there is a clear onus on the opponent to satisfy the Registrar that the ground of opposition is made out. The opponent has not done so and the opposition on this ground fails.

Section 3(1)

30. I now turn to the grounds of opposition under Section 3(1) of the Act. The relevant parts of Section 3(1) of the Act read as follows:

“3.-(1) The following shall not be registered -

- (a)
- (b) trade marks which are devoid of any distinctive character,
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the *bona fide* and established practices of the trade:

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it.”

31. In the present case I must consider whether, on a prima facie basis, the mark in suit meets the requirements of Section 3(1)(b), (c) and (d) of the Act.

32. I firstly consider the Section 3(1)(c) ground. Section 3(1)(c) provides for refusal of registration on the ground that the mark in question is simply descriptive. I take into account the guidance provided in the Judgement of the European Court of Justice in Cases C-53/01 to C-55/01 *Linde AG, Winward Industries Inc, Rado Uhren* 8 April 2003. In particular, I find paragraphs 63 and 73 to 75 of the Judgement, set out below, to be of considerable assistance:

“63. As regards the first limb of the second question it must be observed that, according to Article 3(1)(c) of the Directive, descriptive trade marks, that is to say, those which consist exclusively of signs or indications which may serve, in trade, to designate the characteristics of the goods or services for which registration is sought, are not to be registered.

73. According to the Court’s case-law, Article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks (see, to that effect, *Windsurfing Chiemsee*, paragraph 25).

74. The public interest underlying Article 3(1)(c) of the Directive implies that subject to Article 3(3), any trade mark which consists exclusively of a sign or indication which may serve to designate the characteristics of goods or a service within the meaning of that provision must be freely available to all and not be registrable.

75. The competent authority called upon to apply Article 3(1)(c) of the Directive to such trade marks must determine, by reference to the goods or services for which registration is sought, in the light of a concrete consideration of all the relevant aspects of the application, and in particular the public interest referred to above, whether the ground for refusing registration in that provision applies to the case at hand

33. Recent decisions and opinions of the European Court of Justice make it clear that there remains a public interest in keeping free certain words or combinations of words which others may wish to use. For example the European Court of Justice in Case C191-01 (Office for Harmonisation in the Internal Market (Trade Marks and Designs) (*OHIM*) v *Wm Wrigley Jr* [2003] RL 101985) said:

“31. By prohibiting the registration as Community trade marks of such signs and indications, Article 7(1)(c) of Regulation No. 40/94 pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the characteristics of goods or services in respect of which registration is sought may be freely used by all.

That provision accordingly prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.”

“32. In order for OHIM to refuse to register a trade mark under Article 7(1)(c) of Regulation No. 40/94, it is not necessary that the signs and indications composing the mark that are referred to in that article actually be in use at the time of the application for registration in a way that is descriptive of goods or services such as those in relation to which the application is filed, or of characteristics of those goods or services. It is sufficient, as the wording of that provision itself indicates, that such signs and indications

could be used for such purposes. A sign must therefore be refused registration under that provision if at least one of its possible meanings designates a characteristic of the goods or services concerned.”

34. The mark applied for consists of the six numerals 118551. There is no reason why numerals in themselves cannot operate as trade marks and indeed Section 1(1) of the Act specifically provides that a trade mark may consist of numerals.

35. It is submitted by the opponent that because the numeral 118551 designates a directory enquiry (DQ) telephone number it cannot distinguish telecommunications related and ancillary goods and services.

36. The evidence clearly shows that in relation to telecommunications services, six digit numbers commencing with the prefix 118 are reserved for/allocated to directory enquiry providers. This is accepted by the applicant. However, it does not automatically follow that such numbers cannot function as trade marks, thereby in effect, designating the telephone number of a service and indicating a particular service provider.

37. The DQ number 118551 was allocated by OFTEL to the applicant for the mark in suit. Accordingly, the applicant owns this particular DQ number. While, the opponent contends that OFTEL has the ability to withdraw DQ numbers from allocates, the evidence seems to show that such withdrawal is limited to cases of “non-use” – a concept shared by trade marks legislation.

38. It seems to me that the opponent has provided the evidence and/or no persuasive submission as to why the numeral 118551 would not function as a trade mark in relation to the relevant goods and services. As pointed out by Mr Hole in his witness statement on behalf of the applicant, the opponent’s evidence in relation to customer uncertainty and confusion essentially goes to the cessation of the DQ monopoly and the management of and consequences resulting from the introduction of the “free market”.

39. As stated earlier, the numeral 118551 is a DQ number allocated to the applicant by OFTEL. I see no reason to presume that, as a telephone number, this and other six digit numbers commencing with the prefix 118, would not operate in market conditions to enable the public to contact a particular DQ provider. If not, the DQ system within the UK could not function.

40. Bearing in mind the above, I fail to see why the mark in suit should not also function as a trade mark to indicate the applicant’s particular services and goods. I have no evidence before me on the point but in my view, the relevant customer (the public at large) would be able to perceive the mark as indicating both a telephone contact point and a particular service provider. The numeral would be bi-functional and the particular numeral comprising the mark is not one which other traders could or should wish to use in relation to the goods and services.

41. The opponent makes much of the potential for confusion if registration is granted. However, it seems to me that in the particular market at issue, the customer as a matter of fact is able to distinguish the competing 118... numbers. This must impact upon public ability to distinguish in relation to trade mark use in the particular market.

42. To conclude, I find that the mark meets the requirements of Section 3(1)(c) of the Act and this ground of opposition fails.

43. I now go on to the Section 3(1)(b) ground which provides for refusal of registration on the ground that the mark in question lacks distinctiveness. In the application of Section 3(1)(b) I am assisted by the principles set out in the following decisions – *Cycling Is* [2002] RPC 37, *Libertel Group BV v Benelux Markenbureau*, Case C-104/01 and *Linde AG (and others) v Deutsches Patent-und Markenamt*, Joined cases C-53/01 to C-55/01; which can be summarised as follows:

- (a) the exclusions from registrability contained in Section 3/Article 3 are there to ensure that trade marks whose use could successfully be challenged before the Courts are not registered. The defence available to other traders by virtue of an objection under Sections 3(1)(b) operates independently of objections under Section 3(1)(c) (*Cycling IS* paragraphs 43-45 and *Linde* paragraphs 67-68);
- (b) for a mark to possess a distinctive character it must identify the product (or service) in respect of which registration is applied for as originating from a particular undertaking and thus to distinguish that product (or service) from the products (or services) of other undertakings (*Linde* paragraphs 40-41 and 47);
- (c) it is legitimate, when assessing whether a sign is sufficiently distinctive to qualify for registration, to consider whether it can be presumed that independent use of the same sign by different suppliers of goods or services of the kind specified in the application for registration would be likely to cause the relevant class of persons or at least a significant proportion thereof, to believe that the goods or services on offer to them come from the same undertaking or economically-linked undertakings (*Cycling IS* paragraph 53);
- (d) a trade mark's distinctiveness is not to be considered in the abstract but rather by reference to the goods or services in respect of which registration is sought and by reference to the relevant public's perception of that mark (*Libertel* paragraphs 72-77 and *Cycling IS* paragraph 64-61);
- (e) the relevant public must be deemed to be composed of the average consumer who is reasonably well-informed and reasonably observant and circumspect (*Libertel* paragraph 46 referring to Case C-342/97 *Lloyd Schuhfabrik Meyer*).

44. In light of the above guidance I do not believe that the opponent has any stronger case under Section 3(1)(b) than under Section 3(1)(c). For the reasons previously stated in this decision (paragraphs 34 to 41 refer) I believe that the mark is origin specific and will be seen by the relevant class of persons as indicating services and goods from a particular undertaking.

45. The ground of opposition under Section 3(1)(b) also fails.

46. Next, the Section 3(1)(d) ground. Guidance from the European Court of Justice on Article 3(1)(d) (equivalent to Section 3(1)(d) of the UK Act) is contained in *Merz & Krell GmbH & Co*, [2002] ETMR 21:

“41. It follows that Article 3(1)(d) of the Directive must be interpreted as meaning that it subjects refusal to register a trade mark to the sole condition that the signs or indications of which the trade mark is exclusively composed have become customary in the current language or in the bona fide and established practices of the trade to designate the goods or services in respect of which registration of that mark is sought. It is immaterial, when that provision is applied, whether the signs or indication in question describe the properties or characteristics of those goods or services.”

47. It is clear from the final sentence of the above paragraph that a mark is subject to refusal or invalidation under this head if it is customarily used in the trade irrespective of whether it describes the properties or characteristics of the goods. The onus is upon the opponent to make out this case.

48. It seems to me that a claim that a mark has become customary in the trade is likely to require evidence from the trade or a representative part thereof as an underpinning minimum. It will be difficult though not perhaps impossible for a case to be made based purely on evidence from the party making the claim even if that party is itself engaged in the relevant trade. In the present case, while the opponent’s evidence goes to the fact that the 118 prefix denotes a DQ number, there is no indication that the six digit mark in suit is customarily used in trade to indicate services or goods other than those of the applicant.

49. In all the circumstances there is no course open other than to find that the mark does not consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of trade. The Section 3(1) ground fails.

Section 3(3)

50. Section 3(3) of the Act reads as follows:

“A trade mark shall not be registered if it is-

- (a) contrary to public policy or to accepted principles of morality, or
- (b) of such a nature as to deceive the public (for instance as to the nature, quality or geographical origin of the goods or service).”

51. Section 3(3) relates to absolute grounds of objection and in the present proceedings the opponent’s case is largely a re-run of the anti-monopoly objections raised under Section 3(1) which did not succeed in that context and cannot succeed here.

52. The opponent contends that third parties allocated “similar” 118 prefixed telephone numbers by OFTEL will be prevented from using and exploiting such numbers. However, there is no

evidence to substantiate this assertion. Certainly, I do not believe the relevant regulator OFTEL could have viewed the allocation of “similar” 118 prefixed numbers as an action which would have resulted in the allocates being unable to use or exploit such numbers in the market place. One must presume that the public are able to differentiate and use such numbers in an everyday commercial context, thereby, in fact, distinguishing the services offered by different providers. These circumstances would apply to trade mark issues and as mentioned earlier in this decision I see no reason in principle why 118... numbers cannot be bi-functional.

53. The Section 3(3)(a) and 3(3)(b) objections also fail.

COSTS

54. The applicant is entitled to a contribution towards costs and I order the opponent to pay the applicant the sum of £1000 which takes into account the fact that no hearing took place on this case and that neither party provided written submissions in addition to the evidence filed. The costs are 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 18th day of August 2004

**JOHN MacGILLIVRAY
For the Registrar
the Comptroller-General**