

**TRADE MARKS ACT 1938 (AS AMENDED)  
AND TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 1577042  
BY DIGI INTERNATIONAL INC  
TO REGISTER A TRADE MARK IN CLASS 9**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER  
NO 48948 BY PSION DATACOM PLC**

**TRADE MARKS ACT 1938 (AS AMENDED)  
AND TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No 1577042  
by Digi International Inc  
to register a trade mark in Class 9**

**and**

**IN THE MATTER OF Opposition thereto under  
No 48948 by Psion Datacom plc**

**DECISION**

On 4 July 1994, Digi International Inc. applied under Section 17(1) of the Trade Marks Act 1938 to register the trade mark Digi. The application was made in Class 9 and after examination proceeded to advertisement for the specification of goods comprising:-

Microcomputer hardware and microcomputer software programs for use in communications between digital electronic devices; all included in Class 9.

The application, numbered 1577042 was advertised for opposition purposes on 3 June 1998, and on 1 September 1998, Psion Datacom plc filed notice of opposition to the application.

The opponents say that they are the owners of the trade mark DIGISENSE which they have applied to register. The grounds of opposition are in summary:-

- 1. Under Section 9(1)(d)** Because the mark makes a direct reference to the character and quality of the goods and is not distinctive.
- 2. Under Section 10** Because the mark is not capable of acquiring a distinctive character for the purposes of Section 10.
- 3. Under Section 11** The opponents are the proprietors of the trade mark DIGISENSE and use of the trade mark applied for by the applicant is likely to deceive or cause confusion.
- 4. Under Section 68** Because the trade mark applied for is non-distinctive and cannot satisfy the definition of a trade mark.
- 5. Under Section 17** In the exercise of the Registrar's discretion.

The opponents' trade mark referred to in the grounds of opposition is as follows:

No.	Mark	Class	Specification	
5	2138101	DIGISENSE	9	Modems (digital and analogue); modems (digital and analogue) for communications networks; apparatus and instruments for receiving, transmitting, recording and reproducing sound, video recordings, data, games, graphics, text, programs and/or images; data acquisition and display output, processing, storage and transmission apparatus and instruments; computer peripherals; equipment for data entry and/or data output; computer hardware and software for accessing and using information on the Internet and world wide web; parts and fittings for all the aforesaid goods; software and computer programs for all the aforesaid goods; any equipment capable of being connected to a telephone network; facsimile, data transmission devices, telephony equipment.

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The applicants filed a counterstatement in which they deny all grounds of opposition.

Both the applicants and the opponents ask that costs be awarded in their favour.

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Both sides filed evidence although neither took up the offer of a hearing. Acting on the Registrar's behalf and after a careful study of the evidence filed I now give this decision.

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By the time this matter came up for a decision, the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. These proceedings having begun under the provisions of the 1938 Act must continue to be dealt with under that Act, in accordance with the transitional provisions set out in Paragraph 17 of Schedule 3 of the 1994 Act. Accordingly, all reference in this decision are references to the 1938 Act and the Trade Marks and Service Marks Rules 1986.

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#### **Opponents' evidence (Rule 49)**

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This consists of a Statutory Declaration dated 19 March 1999, and comes from Debrett Gordon Lyons, a solicitor and registered trade mark agent employed by Paisner & Co, the opponents' representative in these proceedings.

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#### **Applicants' evidence**

This consists of three Statutory Declarations. The first is dated 17 June 1999, and comes from Nigel Robert Jennings, the opponents' representative in these proceedings.

Mr Jennings comments on the basis of the opposition, saying that in his opinion there is no evidence to support the ground under Section 11. He refers to exhibit NRJ1 which is a copy of the report of a hearing held before the Registrar in connection with the opponents' application to register the trade mark DIGISENSE. Mr Jennings next refers to the grounds under Section 9(1)(d) and Section 10, noting that in the mark applied for the word is stylised and that there are other elements in the mark. He also comments that the word DIGI is not a known combining form or word, and in support refers to an extract from Websters Third New International Dictionary (exhibit NRJ2) which shows this to be the case.

Mr Jennings refers to exhibit DGL1 to the Declaration by Debrett Gordon Lyons, noting that it contains details of some 200 registrations in Class 9 which have the letters DIGI as an element, drawing positive conclusions as to the registrability of the element.

The second declaration is dated 15 June 1999, and comes from Subramanian Krishnan, Senior Vice President and Chief Financial Officer of Digi International Inc, a position he has held for several months. Mr Krishnan confirms that the statements made in his Declaration are made from his own personal knowledge or by reference to his company's records.

Mr Krishnan says that the trade mark was first used in the United Kingdom in 1994 in respect of computer connectivity hardware and software, and is the house mark which appears on all goods sold in the United Kingdom. He sets out the value of the goods shipped to his company's distributors in the United Kingdom, which are as follows:

	Year	US\$
25	1994	2,892,745
	1995	1,723,501
	1996	5,536,085
	1997	3,072,251
	1998	3,660,474
30	1999	2,476,558 (to 31/3/99)

Mr Krishnan says that the trade mark is promoted by his company in conjunction with the distributors, the amounts spent being as follows:

	Year	US\$
35	1994	not available
	1995	98,034
	1996	216,913
	1997	222,747
40	1998	385,930
	1999	87,876 (to 31/3/99)

Mr Krishnan concludes his Declaration saying that he is not aware of any confusion having arisen between his company's and the opponents' trade mark.

The final Statutory Declaration comes from Marsha Stolt, a United States Attorney. Ms Stolt says that she has been responsible for the trade mark work of Digi International Inc for three years

and has been responsible for the filing of applications to register the trade mark, the subject of these proceedings, in the countries detailed in exhibit MS1.

No further evidence was filed by either party.

### **Decision**

I turn first to consider the ground under Section 9(1)(d) and Section 10. Those sections read as follows:

**9 (1)** In order for a trade mark (other than a certification trade mark) to be registrable in Part A of the register, it must contain or consist of at least one of the following essential particulars:-

(a) ....

(b) ....

(c) ....

(d) a word or words having no direct reference to the character or quality of the goods, and not being according to its ordinary signification a geographical name or a surname;

(e) ....

**(2)** For the purpose of this section “distinctive” means adapted, in relation to the goods in respect of which a trade mark is registered or proposed to be registered, to distinguish goods which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally, or where the trade mark is registered or proposed to be registered subject to limitations in relation to use within the extent of the registration.

**(3)** In determining whether a trade mark is adapted to distinguish as aforesaid the tribunal may have regard to the extent to which:-

(a) the trade mark is inherently adapted to distinguish as aforesaid; and

(b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact adapted to distinguish as aforesaid.

**10 (1)** In order for a trade mark to be registrable in Part B of the register it must be capable, in relation to the goods in respect of which it is registered or proposed to be registered, of distinguishing goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally or, where the trade mark is registered or proposed to be

registered subject to the limitations, in relation to use within the extent of the registration.

(2) In determining whether a trade mark is capable of distinguishing as aforesaid the tribunal may have regard to the extent to which:-

- (a) the trade mark is inherently capable of distinguishing as aforesaid; and
- (b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact capable of distinguishing as aforesaid.

(3) A trade mark may be registered in Part B notwithstanding any registration in Part A in the name of the same proprietor of the same trade mark or any part or parts thereof.

The opponents contend that DIGI is a reference to the character or quality of the goods but give no reasons why they believe this to be the case. The applicants in turn say that the term has no meaning, either as combining form or as a word, and also point to what they see as stylisation and other elements in the mark which in my view add little if anything to the overall distinctiveness. So the matter rests on the distinctiveness or otherwise of the word DIGI. Given the nature of the goods for which registration is sought, it is not difficult (at least for a person used to considering the construction and derivation of trade marks) to work out that DIGI probably comes from the word DIGITAL, but this is of no consequence when considering the question of distinctiveness. The applicants have provided an extract from a dictionary to show that DIGI has no recorded meaning, and although not absolutely conclusive, there is no evidence to support a contrary view. That a number of traders have registered trade marks incorporating this element does not mean that it is non-distinctive. It seems to me that DIGI may be a word with a passing reference, or in other words, an allusion to the fact that the goods are digital. That being so I can see no basis for the objection under Sections 9 & 10 and the opposition fails on these grounds.

I turn next to consider the grounds under Section 11 of the Act, which reads as follows:-

**11** It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.

The established tests for objections under these provisions are set down in Smith Hayden and Company Ltd's application (Volume 1946 63 RPC 101) later adapted, in the case of Section 11, by Lord Upjohn in the BALI trade mark case 1969 RPC 496. Adapted to the matter in hand, these tests may be expressed as follows:-

Having regard to the opponents' user of the mark DIGISENSE is the tribunal satisfied that the mark applied for DIGI if used in a normal and fair manner in connection with any goods covered by the registration proposed will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

In determining the likelihood of confusion I can place no reliance upon the fact that there are trade marks incorporating the word DIGI sitting on the register, the simple fact being that although a

mark may be registered, this is not evidence that it is being used (see BECK KOLLER (1947) RPC 76).

5 Although the opponents claim to have goodwill in their trade mark DIGISENSE, the evidence is silent, and they do not say whether the trade mark has been used, and assuming that it has, to what extent. I do not, therefore, see how I can come to the view that deception and confusion would arise should the applicants use their mark, and the objection under Section 11 is dismissed accordingly.

10 Turning next to the ground founded under Section 68. The opponents say that the trade mark applied for is non-distinctive and does not satisfy the definition of a trade mark within the meaning of that section, the relevant definition being as follows:

15 **68.-1** In this Act, unless the context otherwise requires, the following expressions have the meanings hereby assigned to them respectively, that is to say:-

20 “Trade mark” means, except in relation to a certification trade mark, a mark used or proposed to be used in relation to goods for the purpose of indicating, or so as to indicate, a connection in the course of trade between the goods and some person having the right either as proprietor or as a registered user to use the mark, whether with or without any indication of the identity of that person, and means, in relation to a certification trade mark, a mark registered or deemed to have been registered under section 37 of this Act.

25 There is nothing in the evidence which supports the contention that the mark is non-distinctive, or that it will not be used so as to indicate the necessary connection in the course of trade between the goods and the applicant. Consequently the objection under Section 68 is dismissed.

30 Finally there is the matter of the Registrar’s discretion under Section 17. There is nothing in the evidence which persuades me that the application should not proceed, and I decline to exercise the discretion and prevent the registration of this application.

35 The opposition having failed on all grounds I order the opponents to pay the applicants the sum of £435 as a contribution towards their costs. 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 14 Day of June 2000**

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45 **M Foley**  
**For the registrar**  
**The Comptroller-General**