

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

**IN THE MATTER OF APPLICATIONS NOS 1588293/4  
BY TELECOM SECURICOR CELLULAR RADIO LIMITED  
TO REGISTER THE MARK AFFINITY IN CLASSES 9 AND 16**

**AND**

**IN THE MATTER OF OPPOSITIONS THERETO UNDER NOS 47411/2  
BY MIDLAND BANK PLC**

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AND TRADE MARKS ACT 1994**

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by Telecom Securicor Cellular Radio Limited  
to register the mark AFFINITY in Classes 9 and 16**

10 **and**

**IN THE MATTER OF Oppositions thereto under Nos 47411/2  
by Midland Bank Plc**

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**DECISION**

20 On 17 October 1994 Telecom Securicor Cellular Radio Limited applied under Section 17 of  
the Trade Marks Act 1938 to register the mark AFFINITY in Classes 9 and 16 for  
specifications of goods which read:

“Telecommunications apparatus and instruments; parts and fittings for all the aforesaid  
goods; all included in Class 9.”

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**and**

“Credit cards, debit cards and charge cards; parts and fittings for all the aforesaid  
goods; all included in Class 16.”

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The applications are numbered 1588293 and 1588294 respectively.

On 28 August 1997 Midland Bank plc filed notice of opposition to these applications. The  
grounds of opposition are, in summary, as follows:

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- i that the mark is not distinctive of the applicants’ goods or capable of  
distinguishing the applicants’ goods. This appears to go to Sections 9 and 10  
of the Act.
- 40 ii under Section 11 by reason of the fact that use of the mark applied for is  
calculated to deceive or cause confusion.

The opponents say that the mark is not a registrable trade mark within the meaning of the Act  
but no further particularisation of this general pleading has been provided and I cannot see  
45 that issues arise beyond those that fall to be considered in relation to the specified grounds.  
They also ask that the applications be refused in the exercise of the Registrar’s discretion.

The applicants filed counterstatements denying the above grounds and adding that

5 “The applicant contends that the term AFFINITY is not common to the financial services industry in that there is no well known and established use of the mark as the name or description of financial services and is therefore registrable within the meaning of the Trade Marks Act 1938 (as amended).

10 The applicant contends that there is no connection between financial products and services and the telecommunications related products for which registration is sought.”

15 Both sides ask for an award of costs in their favour. Only the opponents filed evidence in these proceedings. The proceedings themselves were subsequently consolidated. Neither side has requested a hearing. Acting on behalf of the Registrar and after a careful study of the papers I give this decision.

20 By the time this matter came to be decided, the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. In accordance with the transitional provisions set out in Schedule 3 to that Act however, I must continue to apply the relevant provisions of the old law to these proceedings. Accordingly, all references in the later parts of this decision are references to the provisions of the old law.

#### Opponents’ evidence

25 The opponents’ evidence comes in the form of statutory declarations dated 1 May 1998 by Kenneth Henry Gordon Coales, the Assistant Company Secretary of HSBC Holdings plc, the parent company of Midland Bank plc. As this evidence was filed prior to formal consolidation of the proceedings separate declarations have been provided in respect of the two classes. However for the most part the evidence is in common form and, therefore, the  
30 following summary covers the substance of the points made by Mr Coales in respect of both cases.

35 Mr Coales says that the mark which is the subject of these opposition proceedings consists of the word AFFINITY which is a term commonly used within the financial services industry in relation to credit cards which are issued on behalf of a particular group. He exhibits (KHGC 1) a copy of an article that appeared in the “You and Your Money” section of The Evening Standard of 24 April 1998 which provides an overview of the nature of affinity cards. He further exhibits a copy of the opponents’ promotional material providing details of their own affinity cards (KHGC 2) and newspaper extracts dating back to 1994 in which  
40 reference has been made to affinity cards (KHGC 3). In addition to the applications that are the subject of the current oppositions he says that the applicants have also applied in Class 36 for related services. The latter application is said to have been withdrawn following observations filed on behalf of the opponents (I assume this was under Section 38 of the Trade Marks Act 1994). Mr Coales adds that

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5 “The intended use of the mark AFFINITY is made clear by the letter from BT Group  
Legal Services on behalf of the Applicant to the Registry dated 27th August, 1997 (a  
copy of which is now produced and shown to me marked “KHGC 4”). This states  
that the Applicant’s intended use of the mark is in relation to a loyalty scheme  
whereby customers will earn points based on their level of use of the Telecom  
Securicor cellular radio network and of their cellular phones. The letter goes on to  
confirm that the application in class 16 is intended to cover the cards themselves  
which are to be issued to customers to facilitate their participation in the loyalty  
scheme. Although the letter does not specify the precise goods for which the mark  
10 will be used that fall within the class 9 specification, it would seem likely that this  
was intended to cover goods such as cards which fall within class 9 rather than any  
other type of telecommunication apparatus or instruments. Clearly, the specification  
of goods covered by the Class 9 application could include goods such as encoded  
cards for use in connection with telecommunication services and related goods.

15 Furthermore, the word affinity is one which has a clear reference to the nature of the  
services for which the mark is intended to be used by the Applicant and, therefore, to  
related goods. There is now produced and shown to me marked “KHGC 5” a copy of  
the relevant page from the Oxford English Dictionary (9th edition - 1995) which  
20 provides a definition of the word affinity and also the term “affinity card”. The use of  
the mark AFFINITY to signify membership of a particular loyalty scheme is very  
similar to the use of the word affinity by financial institutions in relation to the loyalty  
scheme for which affinity cards are issued.”

25 With this evidence in mind I turn to the grounds of opposition. These are based on Sections 9,  
10 and 11 of the Act. These sections read as follows:

30 “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:-

- 35 (a) the name of a company, individual, or firm, represented in a special or  
particular manner;
- (b) the signature of the applicant for registration or some predecessor in his  
business;
- (c) an invented word or invented words;
- 40 (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;
- 45 (e) any other distinctive mark, but a name, signature, or word or words,  
other than such as fall within the descriptions in the foregoing  
paragraphs (a), (b), (c) and (d), shall not be registrable under the

provisions of this paragraph except upon evidence of its distinctiveness.

5 (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 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 limitations in relation to use within the extent of the registration.

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

15 (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.

20 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.

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

30 (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.

35 (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.

40 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 evidence filed by the opponents establishes that the term “affinity card” is now in common use in the financial services field. Perhaps the most telling piece of evidence is the following extract from the Oxford English Dictionary:

5           “**affinity card** *n.* 1 a discount card issued to members of an affinity group. 2 (in the UK) a bank card for which the bank donates to a specific charity etc. a portion of the money spent using the card.”

10           This is said to be from the 1995 edition of the dictionary. It, therefore, marginally post dates the applications in suit which have filing dates of 17 October 1994 but I do not think this is a material criticism. Dictionaries tend only to reflect such usages when they have become well established. The dictionary reference is reinforced by the material at Exhibit KHGC 3 which shows the term in use well before the application filing date. The essence of the affinity card schemes run by banks and other financial institutions is that a proportion of sums spent using the card is donated to an identified charity or interest group (such as clubs of various kinds). Different cards are associated with different charities or interest groups giving the cardholder the opportunity to associate him or herself with a cause of their own choosing. In response it seems to a notification of late objection against the Class 16 application the applicants sought to distinguish their own proposed use from the sort of cards offered by banks and other financial institutions. Their letter of 27 August 1997, referred to in Mr Coales’ declaration (and reproduced at KHGC 4) contains the following explanation:

25           “The applicants’ intended use of the mark is in relation to a loyalty scheme whereby customers will earn points based on their level of use of the Telecom Securicor Cellular Radio network and of their cellular phones. The benefit to the customer will be in the form of, for instance, air miles or reduced subscription rates. We consider that this use is distinct from the credit card donation schemes operated by Midland Bank plc and others. The application in class 16 is therefore intended to cover only the cards themselves as issued to customers to facilitate their participation in the loyalty scheme. The class 9 application clearly does not relate to financial services or products.

35           Based on the above the applicants do not believe that any of the goods or services covered by their applications can be considered similar to those as used by Midland Bank plc and others. Nor is there any likelihood of public confusion between the cards used with the applicants’ loyalty scheme and various generic financial services offered by Midland Bank plc and others.”

40           It appears also from later paragraphs in the letter that the applicants were at that time considering a more restricted specification of goods in Class 16 to reflect more precisely the intended use. In the event no formal request to amend the specification was ever filed so any consideration of the matter must be based on the specifications set out at the start of this decision.

45           In relation to the Class 16 goods it seems to me that the applicants cannot escape the criticisms levelled at their mark by the opponents. On the basis of the evidence the term

“affinity card” has become generic within the financial services field in relation to credit cards offering schemes of the kind described above. It is less clear from the evidence whether such schemes extend to the other terms in the specification, namely debit and charge cards. However I regard these as being so closely associated that in the absence of persuasive evidence or submissions to the contrary they seem to be open to the same objection as credit cards. Accordingly the opposition in relation to the Class 16 application succeeds as AFFINITY is a word having a direct reference to the character of the goods and is thus neither adapted to distinguish for the purposes of Section 9 nor capable of distinguishing for the purposes of Section 10. In the circumstances I consider that the mark is also open to objection under Section 11 of the Act in so far as the goods are not limited to affinity cards.

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The Class 9 application is rather more difficult to determine for reasons which I will go on to explain. As previously indicated the specification in relation to Class 9 reads:

15           “Telecommunications apparatus and instruments; parts and fittings for all the aforesaid goods.”

The specification thus gives a broad coverage within the telecommunications field. In the absence of formal evidence from the applicants I have little more than the letter at KHGC 4 by way of indicating their actual intentions. This appears to envisage use in relation to goods associated with cellular radio networks, cellular phones and related cards. The applicants comment in the above mentioned letter that the “Class 9 application clearly does not relate to financial services or products” and, in their counterstatement that “there is no connection between financial products and services and the telecommunications related products for which registration is sought”. Prima facie this does not seem to be an unreasonable proposition. Had individual items of telecommunications apparatus and instruments been specified it is not inconceivable that they could have escaped objection on the grounds advanced by the opponents. However I need to approach the matter with some care and consider the scope of their specification and what it will be open to the applicants to do if they secure registration.

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I have already concluded in relation to the Class 16 application that goods such as credit cards covered by the specification attract objection in the light of the opponents’ evidence. Under the International Classification system for goods and services (the Nice Classification) the encoded or magnetic equivalents to the credit cards covered by the Class 16 application would be proper to Class 9. However I do not think it would be a natural use of language to regard encoded or magnetic credit cards as falling within the term “telecommunications apparatus and instruments”. I do not, therefore, accept that encoded credit cards fall within the specification of goods applied for in Class 9. I go on to consider whether the objection that in my view applies to AFFINITY in relation to credit cards has any significance in the context of goods which are within the Class 9 specification.

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The specification would in my view include the sort of encoded pre-paid telephone cards which can be used in public telephone booths. Mobile phone technology also involves an encoded card which serves to identify the phone holder and the scope of the service available. It can also be seen from the above quoted extract from Exhibit KHGC 4 that the applicants

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envisage use of their mark in relation to cellular phones and “cards issued to customers to facilitate their participation in the loyalty scheme”. They seek to distinguish such usage from the affinity card schemes offered by the financial institutions. It is true that from the limited information available on the applicants’ intended use that they appear to suggest that the benefits under their scheme will accrue to the phone/card holder rather than an affinity group but I can see no reason why such an option should not be available (and be within the specification applied for). I do not think this is an altogether fanciful proposition as bank credit cards are already available where cardholders have the option of having the benefits of use accrue to themselves or to a charity or other cause (ie through affinity schemes). It seems to be an acknowledged part of the applicants’ plans in the case before me to offer “loyalty” benefits (air miles etc) based on level of phone usage. On this basis it does not seem unreasonable to suppose that customers could also be given the option of having benefits accrue to a charity or other body by way of what would in effect be an affinity scheme. I do not say that this is the applicants’ intention merely that it would be a natural extension of what is already planned and something that it would be open to them to do within the specification applied for. As an affinity scheme linked to, for instance, a phone card would no doubt present attractive marketing opportunities it seems to me that the word AFFINITY would in these circumstances have a direct reference to a characteristic of the goods notwithstanding that the primary function of the card was to provide access to and use of a telephone network rather than the provision of a financial service (though even in the latter case it seems to me that the charity donation (affinity) aspect of a credit card is subordinate to its main purpose). As already indicated I accept that this is a narrowly based objection to a broad specification but in the absence of any attempt by the applicants to specify individual items of telecommunications apparatus and instruments to which the objection would not apply I find that the opposition is successful under Sections 9, 10 and 11 of the Act in respect of the Class 9 application as well.

In the circumstances I do not need to consider an exercise of discretion.

As the opponents have been successful they are entitled to a contribution to their costs. I order the applicants to pay the opponents the sum of £870 in respect of these consolidated oppositions.

Dated this 21st day of October 1998

M REYNOLDS  
For the Registrar  
the Comptroller General