



## Cisco sues to stop Apple from using 'iPhone' name: NETWORKING GIANT LAUNCHED LINE OF PRODUCTS LAST MONTH

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Cisco Systems sued Apple Wednesday over the trademark to the name "iPhone," setting up a legal battle between two of Silicon Valley's biggest companies.

Cisco claims that Apple deliberately infringed its rights to use the brand when Steve Jobs introduced Apple's iPhone, a long-anticipated gadget that combines a cell phone and a video and music player, at Macworld in San Francisco Tuesday, allegedly without Cisco's permission.

The suit seeks an injunction to stop Apple's use of the name.

"We've been in intensive discussions with Apple for several weeks regarding arrangements to share the brand," said Mark Chandler, Cisco senior vice president and general counsel.

Cisco expected Apple to quickly sign an agreement sent over late Monday to use the name, but Apple never did.

Apple did not back down. Calling Cisco's suit "silly," company spokeswoman Natalie Kerris noted that "several companies" other than Cisco had already been using the iPhone name for voice over Internet protocol (VoIP) phones.

"We believe that Cisco's U.S. trademark registration is tenuous at best," Kerris said. "If Cisco wants to challenge us on it, we are very confident that we will prevail."

Kerris declined to confirm whether Apple had been in negotiations with Cisco prior to its iPhone announcement.

Cisco obtained the iPhone trademark in 2000 after buying InfoGear. InfoGear had been granted the trademark in 1996. Chandler told the Mercury News that Cisco's trademark registration on the iPhone brand is "very broad" and covers a "wide range" of products.

iPhone has been the rumored name for Apple's cell phone effort for years. The company, with a stable of other "i" products ... from the iMac to the iPod to its iLife software ... registered the iPhone.org domain name back in 1999.

Apple has contacted Cisco "numerous times" since 2001 about the trademark, Chandler said. Cisco wasn't interested in talking until more recently when it became convinced that an agreement to share the brand and have Cisco and Apple products work together would be reached.

"Our sense was that because of Apple's intense interest in this market, there was a chance," Chandler said.

Cisco alleged in its complaint that Apple created a front corporation called Ocean Telecom Services in order to apply for the iPhone trademark. The complaint includes documents showing that Ocean Telecom's U.S. trademark application used language similar to that in Apple's Australian iPhone trademark application.

Apple declined comment on this allegation.

Last month, Cisco's Linksys division launched a family of "iPhone" devices, which includes WiFi antennas, allowing users to make calls with their home wireless networks and through services such as Skype or Yahoo Messenger.

Whether or not Cisco prevails, Apple took a big risk.

"You have a well-funded competitor with a federal registration that's not just similar, but almost identical to the product," said Jeffrey Lindgren, an intellectual property attorney at Morgan Miller Blair in Walnut Creek.

**While Apple generated an incredible amount of buzz from its iPhone announcement Tuesday, the dispute with Cisco threatens to stall momentum just when Apple should be accelerating it for the device's June launch, said David Aaker, vice chairman of Prophet, a San Francisco brand strategy firm.**

**"What a disaster," Aaker said. "It doesn't mean that they're defeated or they've lost the war, but this is definitely a setback."**

**The big danger for Apple is that it will be forced to find a new name, Aaker said, a big challenge because so many names have already been taken.**

**It's one reason so many companies rely on "sub-brands," by tacking on a word or phrase to a name they already control, Aaker said. An "iPod phone" may be a good fallback position if it can't use "iPhone," he said.**

This is not the first time Apple has been in a high-profile dispute over a name. The company has battled off and on for years with Apple Corp., the record label owned by the Beatles, over the rights to the "Apple" moniker. The computer maker won the most recent legal round, but Apple Corp. has vowed to appeal and the dispute goes on.

Zeus Kerravala, an analyst with the Yankee Group, noted it's likely this lawsuit will be settled and the two companies will work together again.

Cisco, which has been more aggressively targeting the consumer market, could have been planning to link the Apple iPod phone with it's own consumer products such as set-top boxes that can control home entertainment, he said.

"In a sense, they're both already fighting Microsoft, and a Cisco-Apple partnership would be a very, very formidable competitor," Kerravala said. "While they may be mad at each other, they have a common enemy. It would be very shortsighted not to work it out."

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