

**BEFORE THE PUBLIC UTILITIES COMMISSION OF
THE STATE OF CALIFORNIA**



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Application of Sonictel, Inc. for
Registration as an Interexchange
Carrier Telephone Corporation
Pursuant to the Provisions of Public
Utilities Code Section 1013.

A.22-04-022
(Filed April 29, 2022)

**PROTEST OF SONIC TELECOM, LLC. (U-7002)
TO THE APPLICATION OF SONICTEL, INC. FOR REGISTRATION
AS AN INTEREXCHANGE CARRIER TELEPHONE CORPORATION**

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Dated May 31, 2022

I. INTRODUCTION

Pursuant to Rule 2.6 of the California Public Utilities Commission's Rules of Practice and Procedure, Sonic Telecom, LLC (U-7002) ("Sonic"), hereby protests Application No. 22-04-022 of Sonictel, Inc. ("Sonictel") for authority to operate as a switchless interexchange carrier in the State of California. Sonic's protest is timely filed.¹

II. BACKGROUND

Sonictel filed an application for registration to operate as an interexchange carrier in California using the Commission's streamlined registration process pursuant to Cal. Pub. Util. Code §1013. According to its Application, Sonictel is a corporation operating and existing under the laws of the State of New York, incorporated on January 3, 2017. Sonictel is a provider of cloud-based phone services to small and mid-sized businesses. The Application lists a single officer at Sonictel, Linda R. Walsh (President).

III. GROUNDS FOR PROTEST

The purpose of the Commission's application process is to identify companies that have engaged in questionable or unscrupulous behavior.² Sonic protests Sonictel's application on the basis that Sonictel has engaged in improper conduct by using a name that is confusingly similar to Sonic's, which infringes on Sonic's trademark³ thereby creating confusion for customers and harming Sonic's ability to compete. Further, Sonictel has not disclosed its entire team of managers and directors, thereby preventing the Commission from thoroughly vetting Sonictel's suitability to operate as an interexchange carrier in California.

¹ Pursuant to Rule 2.6, protests to an application may be filed within 30 days of the date the application appears in the Daily Calendar. Sonictel's application appeared in the Daily Calendar on May 20, 2022. Therefore this protest is timely filed.

² Decision No. 10-09-017, *Decision Addressing Revisions to the Requirements Established by Decision 97-06-107 for Registration of Non-Dominant Interexchange Carriers*, at p. 9 (Sept. 2, 2010).

³ The SONIC trademark is registered to Sonic Telecom's parent, Sonic.net. LLC. Sonic operates under the SONIC trademark as an authorized licensee.

A. Sonictel's Improper Use of Name Confusingly Similar to Sonic's Name

Sonic has been providing services under its SONIC trademark since 1994. The SONIC trademark is protected by several registrations on the U.S. Principal Register (Registration Nos. 4281937, 4709146, and 4803131). These federal registrations and Sonic's use of the trademark dating back to the early 1990s provide Sonic with the exclusive right to use the SONIC trademark throughout the United States for VoIP and telecommunications services. Sonic's right to use the trademark for communications services is incontestable under Lanham Act § 15.

Sonic has expended substantial time, money, and resources marketing, advertising, and promoting its SONIC brand name and trademark. Given that Sonictel intends to offer identical services, using a nearly identical name, the likelihood that customers will be misled and confused as to the provider of Sonictel's services is substantial.

Sonictel's recent registration with the California Secretary of State's office and its application to operate as an interexchange carrier in California violate Sonic's legal rights to be free from unfair competition. Sonic has an exclusive right to use the SONIC trademark and brand name due to its trademark registration and as the senior user of the SONIC trademark on telecommunications goods and services. Sonictel's Application should be denied.

B. Failure to Disclose All Management

The Commission requires all applicants for interexchange authority to disclose the regulatory and financial background of all affiliates, officers, directors, partners, agents, owners (directly or indirectly) of more than 10% of applicant, or anyone acting in a management capacity for applicant. Questions 8 and 9 on Sonictel's Application explicitly require disclosures of such prior regulatory and financial history.

Sonictel's Application discloses a single manager, Linda Walsh (President). A search of public data reveals, however, that Sonictel has other key employees. Lance Walsh is listed on

LinkedIn as Sonictel's Chief Technology Officer.⁴ Kaitlin Walsh is listed on LinkedIn as the Director of Marketing & Business Development.⁵ There may be other key managers or owners who Sonictel failed to disclose.

These omissions hamper the Commission's effort to fully verify whether any of Sonictel's key managers have a prior history of regulatory violations or investigations, or financial difficulties such as bankruptcy. Because Sonictel has not identified its entire management team, it is impossible for the Commission to verify whether any Sonictel manager has a prior violation or financial issue that bears on Sonictel's suitability to operate as an interexchange carrier in California. Sonictel's Application should also be denied due to its failure to comply with the mandatory requirement to disclose key managers.

IV. REQUESTED RELIEF

Sonictel's Application should be rejected as contrary to the public interest. If Sonictel is permitted to provide interexchange services in California under the name Sonictel, it will infringe Sonic's trademark and create customer confusion. Further, authorizing Sonictel to operate under its corporate name will expose Sonic to unfair competition and enable Sonictel to benefit unfairly from Sonic's substantial efforts to create a superior brand in California. Finally, Sonictel failed to disclose all key managers in its Application.

For all of these reasons, Sonic requests that the Commission deny Sonictel's Application.

Signed and dated this 31st day of May, 2022 at Walnut Creek, California.

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Respectfully submitted,

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