

O-239-08

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2433101  
BY K2 PERFORMANCE SYSTEMS LTD TO REGISTER  
A TRADE MARK IN CLASS 41**

**AND**

**IN THE MATTER OF OPPOSITION No. 95051 BY  
K-2 CORPORATION**

**Trade Marks Act 1994**

**In the matter of application No. 2433101  
By K2 Performance Systems Ltd  
To register a trade mark in Class 41**

**And**

**In the matter of opposition No. 95051  
By K-2 Corporation**

**Background**

1. On 18 September 2006, K2 Performance Systems Ltd applied to register the following mark:



2. Registration was sought in respect of the following services in Class 41 of the International Classification system:

Corporate, business and sports performance training and coaching but not including ski and winter sports training.

3. The exclusion contained in the specification was added during the course of these proceedings but did not result in the opposition, details of which are set out below, being withdrawn.

4. Opposition was filed by K-2 Corporation on 8 March 2007 citing a single ground of opposition under Section 5(2)(b). Two earlier trade marks are relied on. Relevant details are as follows:

No.	Mark	Specification
CTM 4127551	K2	Education; providing of training; entertainment; sporting activities
CTM 3409315		Education; providing of training, entertainment; sporting and cultural activities; management of sports camps; organisation of sport competitions.

5. For the record I should add that both of these registrations have specifications that cover other goods or services. However, it is clear that it is the Class 41 services that are at the heart of this case.

6. As neither of the earlier marks had been registered for five years or more at the date of publication of the opposed mark the opponent was not required to show proof of use.

7. The applicant filed a counterstatement denying the above ground. The counterstatement contains detailed submissions comparing the respective marks as well as mounting an honest concurrent use claim. These matters will be addressed later in the decision.

8. Both sides have filed evidence in these proceedings (the opponent's being by way of reply evidence). Neither side asked to be heard. Both sides have filed written submissions – the applicant under cover of a letter dated 24 July 2008 from Penningtons Solicitors and the opponent under cover of a letter also dated 24 July 2008 from Carpmaels & Ransford, Trade Mark Attorneys. Acting on behalf of the Registrar and with all this material in mind I give this decision.

## **Evidence**

9. Howard Davis, the applicant's Commercial Director, has filed a witness statement. The key points to emerge are as follows:

- the company was founded in 2003. The name 'K2' derives from the initial letters of the forenames of two of the founders.
- the company specialises in programmes designed to improve the performance and motivation of individuals and business teams based on the principles of sport. Sports performance training and coaching is a component of programmes intended to promote the principles of general fitness.
- the company has also been involved with elite teams and individuals in the sporting world as sports psychologists.
- the company currently has around 25 to 30 clients in the UK from small concerns to multinationals.
- trading figures show turnover rising from £10,000 in 2004 to £182,679 in 2005 and £479,337 in 2006 (the most recent eligible year). Promotional expenditure has fluctuated from £10,956 in 2004 to £4,380 in 2005 and £47,607 in 2006.
- promotional activity has included flyers, brochures, organising events, website promotion, public relations and media activities.

10. There are 10 exhibits in support of these claims including brochures, articles written by the company's CEO, flyers, training materials, CD-ROMs, third party website material and copy invoices.

11. Anne Wong, the opponent's trade mark attorney and a partner in Carpmael & Ransford has filed evidence in reply. It is largely submission. I propose to take it into account at relevant points in my decision below.

## **Section 5(2)(b)**

### **The law and guiding principles**

12. The relevant part of Section 5(2) of the Act is as follows:

“(2) A trade mark shall not be registered if because –

(a) –

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

13. On 27 April 2006, the European Court of Justice (ECJ) handed down a reasoned Order disposing of the appeal in Case C-235/05P *L’Oreal SA v. OHIM*. The relevant legal principles, drawn principally from the Court's earlier judgments in *Sabel* [1998] RPC 199, *Lloyd Schuhfabrik Meyer* [2000] FSR 77 and *Canon* [1999] RPC 117 are set out in that Order, the relevant part of which is re-produced below:

“34 It is settled case-law that likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, to that effect, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 22; Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 18; and order of 28 April 2004 in Case C-3/03 P *Matratzen Concord v OHIM* [2004] ECR I-3657, paragraph 28).

35 That global assessment implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between the goods or services covered. Thus, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa. Accordingly, it is necessary to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the assessment of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or

services covered (see *Canon*, paragraph 17, and *Lloyd Schuhfabrik Meyer*, paragraph 19).

36 In that regard, as the more distinctive the earlier mark, the greater the risk of confusion (*SABEL*, paragraph 24), marks with a highly distinctive character, either *per se* or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character (see *Canon*, paragraph 18, and *Lloyd Schuhfabrik Meyer*, paragraph 20).

.....

40 In the first place, it is settled case-law that in order to assess the degree of similarity between the marks concerned, it is necessary to determine the degree of visual, aural or conceptual similarity between them and, where appropriate, to determine the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed (see *Lloyd Schuhfabrik Meyer*, paragraph 27).

41 In addition, the global assessment of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks in the mind of the average consumer of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion (see *SABEL*, paragraph 23, *Lloyd Schuhfabrik Meyer*, paragraph 25, and the order in Case C-3/03 P *Matratzen Concord v OHIM*, paragraph 29).

### Comparison of services

14. The respective services are as follows:

Applicant's	Opponent's (in relevant part taken from no. 4127551)
Corporate, business and sports performance training and coaching but not including ski and winter sports training.	Education; providing of training; entertainment; sporting activities.

The Class 41 services of the opponent's other earlier trade mark are somewhat wider but do not make a material difference to the outcome.

15. The applicant's written submissions point out that it has restricted its specification of services so that they are clearly linked to the applicant's niche market and exclude what it considers to be the opponent's key services of ski and winter sports training.

It is nevertheless acknowledged that the applicant's services (even with the benefit of the exclusion) fall within the opponent's above specification. That must be so. The opponent's services are unrestricted as to field of activity and so must encompass the narrower range of services in the applied for specification. The services are, therefore, identical.

### **The average consumer**

16. The range of potential consumers for the applicant's services can be gauged from the following passage in Mr Davis' witness statement:

“The Company presently has around 25 to 30 clients in the United Kingdom, which include small to medium sized businesses, Fortune 500 companies and multi-nationals. The Company lists the following customers amongst its portfolio: Toshiba, AXA Insurance, Roco Forte Hotels, Lloyds TSB, Colliers Cre, EDS, Eurostar, D&B, Charlton Athletic Plc and PC World. The Company has also worked with the British Rowing Team and several premiership footballers.”

17. There is, thus, a range of corporate clients and private individuals who may wish to avail themselves of the training services concerned. The opponent has remained silent about the nature and extent of its own activities. It is in any case necessary to have regard to the full notional scope of its services. There is no reason to suppose that the potential range of customers is any narrower than that of the applicant.

18. Training services are likely to be chosen with a reasonable degree of care. The organisation or individual commissioning the service will want to be satisfied with the credentials and capabilities of the trainer in order that the desired results can be achieved. That is so even if the recipient of the training is an individual as there needs to be a rapport with the trainer. The process of selection is likely to involve an evaluation of brochures and literature of various kinds followed by personal contact. Oral recommendations may play a part in spreading knowledge of the services in question but is generally likely to be secondary to visual contact with the marks, a point that is confirmed by what the applicant says about how it promotes its services.

### **Similarity of marks**

19. As is clear from the *L'Oreal* case, marks must be compared visually, aurally and conceptually having regard to their distinctive and dominant components. The opponent's mark, K2, requires little analysis. It is a simple letter and numeral combination. Neither element appears to play a more important part than the other. The distinctive character resides in the combination (not least because of the meaning associated with that combination – of which more below). As the K2 mark of No. 4127551 gives the opponent its best chance of success I do not propose to give separate consideration to the highly stylised mark that is the subject of No. 3409315.

20. The applicant's counterstatement describes the applied for mark as follows:

“The Applicant's Mark “K2 performancesystems” is very distinctive, consisting

of the additional words “performance Systems”, a very unusual font for the “K2” element and a black square as background. The lettering is white or grey on black. The ‘k’ is lower case and incorporates a distinctive arrow type device.”

21. That description strikes me as a realistic appreciation of the features of the mark. Implicit in the reference to “the additional words “performance Systems”” is a recognition that these words are visually subordinate to the other features of the mark notwithstanding the length of the words. The applicant’s evidence acknowledges that it is engaged in the provision, *inter alia*, of improving performance. The use of the combination ‘performancesystems’ may be slightly unusual in the sense that a training programme may not ordinarily be described as a system. However, I take the view that the subordinate visual impact and allusive nature of the expression is such that it does not constitute a dominant or memorable component of the mark. At most it is not an element that is entirely negligible within the context of the mark as a whole.

22. It follows that the most distinctive and dominant feature of the mark is the element K2 in the particular manner in which it is presented, that is to say with the K in an unusual font resulting in what might be described as a directional arrow presentation with the 2 sitting to the right and adjacent to the upper half of the letter and above the words performancesystems (conjoined). The whole is set against a black box background. I should also add for the sake of completeness that the numeral 2 is shown in a light orange colour and the words performancesystems are presented in white and grey respectively though there is no colour claim or limitation associated with the mark.

23. The main points in the applicant’s submissions in relation to comparison of the marks (taken largely from the counterstatement) are that:

- the applied for mark employs an unusual font and is visually distinct from the opponent’s mark which does not contain any wording in addition to K2
- a natural reading of the applicant’s mark emphasises the ‘performance systems’ element which cannot be disregarded in oral references
- the ideas behind the marks are distinct with the applied for mark introducing the concept of performance systems “which suggests methods of improving efficiency, particularly in the corporate environment”.

24. The applicant’s written submissions also refer to a number of cases setting out the general principles to be applied in comparing marks. The cases are well accepted authorities. I need only mention one here, *Medion AG v Thomson multimedia Sales Germany & Austria GmbH*, Case C-120/04 confirming the principle that assessment of the similarity between two marks means more than taking just one component of a corporate trade mark and comparing it with another mark. That same case also acknowledged that a third party’s sign may still have an independent character when incorporated in a composite mark even though it does not necessarily constitute the dominant element.

25. The applicant has also referred to two other cases, *Audiotechnik Dietz Vertriebs-GmbH v KK Audio-Technica*, Case R404/2000-3 and *Juquetes Falomir SA v Metro-Goldwyn-Meyer Inc*, Case R1036-2000-2. In the first of these cases it was held that the public would not necessarily make an association between two marks because of a common element (but it is noted that the Board of Appeal held that the common element was of borderline descriptive character and that Dietz was the dominant distinctive element). The principal point that I am asked to take from the second case is that slight differences between short signs may suffice to exclude a finding of similarity.

26. The opponent's written submissions refer me to an OHIM Opposition Division decision, Case 3057/2002 where a composite mark K2 and mountain device was held to be identical or very similar to marks consisting of or incorporating K2.

27. In relation to the marks at issue here the opponent's submissions suggest that the dominant and distinctive visual and verbal element of the opposed mark is K2 and that both marks bring to mind the mountain K2 (the fame of the mountain is also accepted by the applicant in its counterstatement). Hence, there is said to be visual, aural and conceptual similarity.

28. As I have indicated in my analysis of the component elements of the applied for mark, its distinctive character resides in the combination K2 and the particular form in which that combination is presented. Although that stylisation makes a material visual impact it is not such as to disguise or overwhelm the underlying letter and numeral. It does, however, offer a clear point of visual differentiation. In spoken references, the applied for mark is likely to be referred to as K2 performance systems and thus has a clear point of aural identity with K2 and a point of difference in the supporting element performance systems. Conceptually, the parties appear to agree that K2 is a famous mountain in the Himalayas. Both marks, therefore, have a common idea at their heart albeit that the derivation of the applied for mark (see above) is said to be somewhat different. That conceptual common ground is likely to have a strong bearing on the relevant public's appreciation of the marks.

29. The European Courts have held that conceptual differences between trade marks can be of importance. Thus, in Case C-361/04P (*Picaro/Picasso*) the ECJ noted the following paragraph in the CFI's judgment:

“Such conceptual differences can in certain circumstances counteract the visual and phonetic similarities between the signs concerned. For there to be such a counteraction, at least one of the signs at issue must have, from the point of view of the relevant public, a clear and specific meaning so that the public is capable of grasping it immediately [Case T-292/01 *Phillips-Van Heusen v OHIM – Pash Textilvertrieb und Einzelhandel (BASS)* [2003] ECR II-4335, paragraph 54].”

and approved the point in paragraph 20 of its own judgment.

30. The opposite can also be true. That is to say when marks converge on the same idea, the conceptual identity can override stylistic differences.



31. Taking the matter in the round I find that the more striking visual presentation of the applied for mark creates a clear point of differentiation but does not disguise the underlying message and is insufficient to outweigh the common concept behind the marks. The marks are similar to a reasonable extent.

### **Distinctive character of the earlier trade mark**

32. As noted above the parties accept that K2 is the name of a mountain. It is recorded in Collins English Dictionary as being the second highest mountain in the world. In its counterstatement the applicant says "It is an appropriate choice of mark for an organisation specialising in improving performance and achievement in any sector including the corporate and sports sectors." One can see why that should be the case. It evokes a spirit of challenge and high performance. It is not entirely clear from the applicant's comments whether it is being suggested that K2 is thereby allusive or descriptive of training and such like services. In my view it may at most allude obliquely to the qualities I have suggested. It is evocative rather than being shown to be descriptive. In relation to the generality of the services at issue it is a distinctive mark. The mere fact that it is a short mark does not, in this case, weaken its credentials as the applicant would have me accept.

33. As the opponent has filed no evidence in relation to use of its own mark there can be no question of any claim to enhanced distinctive character.

### **Likelihood of confusion**

34. This is a matter of global appreciation. All relevant factors must be taken into account. The applicant's counterstatement indicates that it claims honest concurrent use and sets out its case based on the criteria in *Pirie's Trade Mark Application* (1933) 50 R.P.C. 147.

35. The position on honest concurrent use under the Act is set out in paragraph 9-152 of Kerly's Law of Trade Marks and Trade Names. Reference is made in that passage to the following statement in *Codas Trade Mark* [2001] R.P.C. 14.

"However, as I have already said, the mere fact that there has been honest concurrent use is not a defence, which in itself will save an application, but it is one of the "relevant" factors which should be taken into account in determining whether there is a likelihood of confusion."

36. That remains the position. For "honest concurrent use" to play a meaningful role it requires the tribunal to be satisfied that the parties have traded in circumstances that suggest consumers have been exposed to both marks and have shown that they are able to differentiate between the rival product offerings without confusion as to trade origin. That cannot be the case where, as here, there is no evidence as to the nature, duration and extent of the opponent's trade (if any). In those circumstances I must consider notional fair use across the full spectrum of services and what the position would be if the same or overlapping consumer groups were to encounter the marks. On that basis the answer must be that the applicant's use does not avail it in determining the issue of likelihood of confusion.

37. There is a further point arising from the exhibits to Mr Davis' witness statement that touches on the nature of the use shown. Ms Wong, for the opponent, suggests that a number of the exhibits show various uses of K2 but not always in the form applied for. The applicant's written submissions challenge this reading of the evidence by pointing out that a number of the references are to the applicant (company) rather than its trade mark. In the light of my view on the relevance of the evidence, the point does not need to be explored further. I would simply note that, where the applied for mark is used in contexts where other plain form representations of K2 are present it reinforces how the trade mark itself is intended to be seen and emphasises the fact that K2 is an important element of the mark.

38. The guidance from the *Canon* case (supra) is that a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa. On the basis of my finding as to a material level of similarity between the marks coupled with identity between the services I have little hesitation in concluding that, even though consumers would register the particular form of presentation of the applied for mark, they would see in it the letter and numeral K2 and refer to the mark by reference to that distinctive element. That being the case there would be an unavoidable association with the opponent's mark. An association that is a mere bringing to mind (without more) is not enough to establish a likelihood of confusion. The association here would in my view go deeper than that and lead to the belief that the services offered under the respective marks emanated from the same trade source because consumers would think that the applied for mark was a stylised or variant form of the basic K2 mark. That is enough to establish a likelihood of confusion with the result that the opposition succeeds under Section 5(2)(b).

### **Costs**

39. The opponent has been successful and is entitled to a contribution towards its costs. I order the applicant to pay the opponent the sum of £1,200. 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 the 15<sup>th</sup> day of August 2008**

**M REYNOLDS  
For the Registrar  
the Comptroller-General**