

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2533730

BY

K2 PERFORMANCE SYSTEMS (UK) LIMITED

TO REGISTER THE TRADE MARK:



IN CLASS 35

AND

THE OPPOSITION THERETO

UNDER NO 100361

BY

K-2 CORPORATION

1) A hearing was held in relation to the opposition on 9 September 2011. K-2 Corporation (Corporation) was represented by Ms Iona Berkeley of counsel, instructed by MW Trade Marks Limited. K2 Performance Systems (UK) Limited (Performance) was represented by Mr Simon Malynicz of counsel, instructed by Edwin Coe LLP.

2) The application for registration was filed on 7 December 2009. The application was published for opposition purposes on 1 January 2010 with the following specification:

management consultancy.

The above services are in class 35 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

3) The grounds of opposition were based on five earlier trade marks and sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 (the Act). At the hearing Ms Berkeley did not press the claim under section 5(3) of the Act and pursued the case under section 5(2)(b) of the Act based on only two of the earlier registrations. She submitted that Corporation's best case lay with Community trade mark registration no 4127551. The registration is for the trade mark K2. The application for registration was filed on 16 November 2004, with an international priority date of 7 September 2004, and the registration process was completed on 20 March 2006. Consequently, it is not subject to proof of use¹. Ms Berkeley submitted that the best case, in relation to similarity of services, for Corporation lay with *business management services* in class 35.

4) According to section 5(2)(b) of the Act a trade mark shall not be registered if because:

“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.”

Average consumer, nature of purchasing decision and standard for likelihood of confusion

5) The services of the application and *business management services* will, by their nature, be bought by businesses. They are services which will affect the running of the businesses, with potentially serious consequences. Consequently, the services will be purchased as the result of careful and educated purchasing decisions. Consequently, the effects of imperfect recollection will be limited.

Comparison of services

6) In “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of tradeⁱⁱ”. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaningⁱⁱⁱ. Consideration should be given as to how the average consumer would view the goods and/or services^{iv}. The class of the goods and/or services in which they are placed may be relevant in determining the nature of the goods and/or services^v. In assessing the similarity of goods and/or services it is necessary to take into account, *inter alia*, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary^{vi}. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed^{vii}. Jacob J in *Avnet Incorporated v Isoact Ltd* [1998] FSR 16 stated:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

7) The services to be compared are *management consultancy* and *business management services*. Mr Malynicz submitted that *management consultancy* had a distinct meaning; the provision of specialist services, such as accounting and information technology, on a consultancy basis. He referred to the evidence of Ms Wong for Corporation at AW1 of her second statement which refers to a business in Bristol that describes itself as providing business management consultancy. He submitted that this begs the question as to whether this is the same thing as *business management services*. *Business management services* encompasses all business management services and must include business management consultancy. It may be necessary to look at the cores of the specifications. However, it is also necessary to consider what the specifications actually cover, *business management services* cannot be given an unnaturally narrow meaning. *Management consultancy* is a service for businesses so it is not possible to see how it does not fall within the term *business management services*. Mr Malynicz submitted that Corporation had not furnished evidence to establish the similarity of *business management services* to *management consultancy*.

8) In *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97 the Court of Justice of the European Union (CJEU) stated:

“22. It is, however, important to stress that, for the purposes of applying Article 4(1)(b), even where a mark is identical to another with a highly distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered. In contrast to Article 4(4)(a),

which expressly refers to the situation in which the goods or services are not similar, Article 4(1)(b) provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar.”

The court required evidence of similarity to be adduced. This finding has been reiterated by the CJEU and the General Court (GC), eg in *Commercy AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-316/07:

“43 Consequently, for the purposes of applying Article 8(1)(b) of Regulation No 40/94, it is still necessary, even where the two marks are identical, to adduce evidence of similarity between the goods or services covered by them (see, to that effect, order of 9 March 2007 in Case C-196/06 P *Alecansan v OHIM*, not published in the ECR, paragraph 24; and Case T-150/04 *Mülhens v OHIM – Minoronzoni(TOSCA BLU)* [2007] ECR II-2353, paragraph 27).”

The above part of the Canon judgment has been more recognised in the breach than in the observance in this jurisdiction (and before OHIM). It may not always be practical to adduce evidence of similarity; it may be that the nature of the goods is so well-known that it would be a waste of effort and resources to do so. It is, also, difficult to understand exactly what “evidence” of similarity means. The concept of similarity of goods and services is a construct of trade mark law; the parameters of deciding what constitutes similarity are born of trade mark law. Ultimately the issue of the similarity of goods and services is a jury question for the decision maker; taking into account the parameters of the case law and the knowledge of the respective goods and services. Evidence may be appropriate to explain the nature of certain goods and services, for the decision maker to reach a conclusion. Evidence may also be appropriate to show the nature of the trade and how the trade works; as this may show, for instance, a common supply chain.

9) In this case Performance has furnished evidence to attempt to show that the respective services are not similar. In the witness statement of Ms Powell, for Performance, she states:

“There is a fundamental difference between these services and “management consultancy” services. A “business manager” is part of the business, not outside of it.”

Ms Powell has changed the services of Corporation from that of *business management services* to the services of a business manager, a limitation of the scope of the earlier specification. The evidence of Performance appears to contradict this approach. At page 82 of NCP1 Accenture Management Consulting states that:

“We help our clients create value architect change through our unique spectrum of management consulting services:

- Accenture Interactive
- Analytics
- Business Process Management
- Change Management
- Cloud Services
- Customer Relationship Management
- Driving Growth
- Finance & Performance Management
- International Development
- Manufacturing
- Mergers, Acquisitions and Alliances
- Mobility
- Operational Excellence
- Process & Innovation Performance
- Profit and Cash Optimization
- Risk Management
- Strategy
- Smart Grid
- Supply Chain Management
- Sustainability
- Talent & Organization Performance”

The colon after consulting services is important, it indicates that Accenture classify all the following services as part of management consulting services. It is not possible to see how these services do not fall within the category of *business management services*.

10) The issue is ultimately a simple one, not one that requires evidence. The issue is one of language. *Business management services* is a wide term. *Management consultancy* is a business service and so a business management service. **Consequently, the services of the application are included in the services of the earlier registration and so are identical.**

Comparison of trade marks

11) The trade marks to be compared are K2 and:



12) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details^{viii}. The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components^{ix}. Consequently, there cannot be an artificial dissection of the trade marks, although it is necessary to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant^x. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public^{xi}.

13) The trade mark of performance includes a coloured element. In *Mary Quant Cosmetics Japan Ltd v Able C & C Co Ltd* BL O/246/08 Mr Geoffrey Hobbs QC, sitting as the appointed person, stated:

“10. The present oppositions under Section 5(2)(b) are based on the rights conferred by registration of a device mark recorded in the register in black-and-white. It follows that colouring is immaterial to the distinctiveness of the Opponent’s device mark as registered and therefore irrelevant for the purposes of the assessment of similarity in both oppositions.”

In *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch) Mann J stated:

“119. It is not clear to me that this is a debate which advances the case very much, but the position seems to me to be as follows. As a matter of principle the exercise involves comparing the offending sign with the registered mark and assessing the likelihood of confusion or association. The two things have to be compared. Since we live in a visual world, and signs are visual, some form of appearance has to be considered. If the

registered mark is limited to a colour, then the mark that is used has to be compared, as used, to the mark that is registered, as registered (and therefore in colour). If the registered mark is unlimited as to colour then it is registered for all colours. This means that the colour of the offending sign becomes irrelevant. It will not be possible to say that its colour prevents there being an infringement. At this point one can take one of two courses, each of which ought to have the same result. The first is to imagine the registered mark in the same colour as the offending sign. The second is to drain the colour from the offending sign. Either way one then has the material for comparison. One could even imagine them both in a third colour. It does not matter. So in a sense both Mr Purvis and Mr Bloch are right. As a matter of visual convenience it seems to me to be easier to imagine the registered mark in a colour than to imagine the offending sign drained of colour, and I propose to adopt that course.”

As the trade mark of Corporation is not limited to any colour or registered in any colour, the trade mark of Performance must be “drained of colour” and so colour plays no part in the consideration of similarity.

14) The premise of Corporation is that Performance’s trade mark will be seen as a K2 trade mark. At the hearing Ms Berkeley was asked why it should be seen as a K2 trade mark. She observed that the trade mark had been captured as a planet K2 trade mark by the Intellectual Property Office (IPO). The data capture staff are actively seeking to categorise trade marks, unlike the average consumer. No doubt the staff will have also been influenced by the name of the company; not something that can be taken into account for the purposes of considering similarity. A similar argument was put forward to the GC in *Omnicare, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-289/09* and rejected^{xii}. It is not considered that the way that the trade mark has been categorised by the IPO is in any way reflective as to how the average consumer would perceive it. Ms Berkeley also referred to the decision BL O/239/08; in relation to opposition proceedings between the same parties. In that case the trade mark of Performance was:



The above trade mark does not include the word planet, which can affect the overall perception of the trade mark by the average consumer ie the consumer may see a planet trade mark with a device. In that decision the hearing officer recorded how the name of Performance had been derived from the initial letters of the forenames of the two founders. The counterstatement of Performance is quoted as stating:

“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.”

Consequently, the hearing officer may have been influenced by Performance’s own description of the trade mark. His perception may have been skewed by matters extraneous to the trade mark. (He was also considering a different trade mark.)

15) In its counterstatement Performance stated that it would rely upon the laudatory and/or descriptive nature of the K2 element. It stated that many other trade marks and signs had been registered and/or are in use by third parties in the United Kingdom that comprise and/or contain the component K2. It may seem to be a tacit acceptance that Performance’s trade mark would be seen as a K2 trade mark. However, there is no direct statement to this effect and it is also necessary to consider that the response of Performance is within the parameters of the case put forward by Corporation. It is also the case that the matter has to be based on how it is considered that the average consumer will see the trade mark, outwith matters external to the trade mark; eg the ownership of the trade mark by Performance cannot influence the comparison of the trade marks ie it is not possible to bring into consideration that the current owner is K2 Performance Systems (UK) Limited and to have this ownership influence the analysis of

similarity. A trade mark can change ownership or the name of the owner can change at any time^{xiii}.

16) It is difficult to see how or why the average consumer would see the main device element of Performance's trade mark as a letter k. It is not in any standard or stylised form of the letter k. The line to the right is at 180 degrees rather than at an angle. The main device element appears more as an arrow than as a letter. The other device element is a curved device, which may be seen as a number 2 or simply as a curvilinear device.

17) There is no one dominant and distinctive component in the trade mark of Corporation. The trade mark will be seen by the average consumer for the services as the name of the second highest mountain in the world and so it "hangs together". The distinctiveness and dominance of the trade mark lays in its entirety. The trade mark of Performance will be seen by the average consumer as a planet trade mark with a large device element. It is possible that the smaller device element will be seen as the number 2, although there is no certainty as to this. If this element were closer to planet it would be more likely to be seen as a number, as qualifying the planet element. Visually, owing to size and distinctiveness, the dominant and distinctive element of Performance's trade mark is the large arrow like device. In oral use the dominant and distinctive element of the trade mark will be the word planet, as this is the dominant word element.

18) The earlier trade mark refers to a mountain, the later trade mark to a planet; they are conceptually dissonant. Visually the earlier trade mark consists of a letter and a numeral; the later trade mark a word, a larger and a lesser device. The respective trade marks are visually dissimilar. Phonetically the earlier trade mark will be pronounced as K2, the later trade mark is likely to be referred to as planet; the respective trade marks are phonetically dissimilar. If the average consumer were to see the lesser device element of Performance's trade mark as the numeral 2, this would still leave conceptual dissonance. Visually the respective trade marks would still be dissimilar. Owing to the aural dominance of the planet element, the identification of the numeral 2 would still leave the trade marks, overall, as being phonetically dissimilar.

19) The respective trade marks are not only not similar, they are dissimilar.

Likelihood of conclusion

20) Likelihood of confusion is dependent upon the similarity of the trade marks. As the respective trade marks are dissimilar, the identity of the services and the distinctiveness, or otherwise, of the earlier trademark cannot assist Corporation. The differences between the respective trade marks are such that the average consumer is not going to perceive any link between the respective trade marks. The ground of opposition under section 5(2)(b) of the Act are dismissed.

Costs

21) Mr Malynicz noted that the section 5(3) ground had not been pursued, that Ms Berkeley had not relied upon the extensive evidence filed by Corporation and that only one of the earlier trade marks had been relied upon in Ms Berkeley's submission. He was of the view, consequently, that an award of costs outwith the scale should be made. Ms Berkeley responded that on that basis it would be necessary to run arguments and rehearse evidence that would not have an effect upon the outcome of the case in order to avoid increased costs; consequently, increasing the costs of proceedings.

22) It is not unusual for parties to concentrate the basis of their claims at hearings. As this represents an economy of procedure and cost it is not a practice that is to be discouraged by penalising a party with additional costs. Corporation, having considered all the factors in the case, chose to concentrate on what it considered was its best case. It is not possible to see anything abusive in how it has acted.

23) In *West t/a Eastenders v Fuller Smith Turner PLC* [2004] FSR 32 Pumfrey J stated:

“11 Secondly, if the judge was minded to proceed on the basis that one party rather than the other was the winner, on a particular issue, then bearing in mind the thrust of the CPR Rules, the judge should, in my view, have looked at the matter of success on an issues basis, and awarded proportions of costs accordingly. I have sympathy with the judge because, judging as best I can from the skeleton argument, neither party put it to the judge that they were entitled to a proportion only of costs of trial. The judge, therefore, had to do the best he could. But as I see it, under the CPR, where each side has won on significant issues, the judge should look to see whether justice can be done on an issues basis.”

Consequently, if Corporation had been successful under section 5(2)(b) of the Act, the award of costs would have taken into account the failure under section 5(3) of the Act.

24) Costs are to be awarded within the scale. However, owing to the volume of evidence filed by Corporation the award is made towards the top end of the scale. Performance, having been successful, is entitled to a contribution towards its costs. Costs are awarded upon the following basis:

Preparing a statement and considering the statement of Corporation:	£500
Preparing evidence and considering the evidence of Corporation:	£1,500
Preparation for and attendance at a hearing:	£1,500
Total:	£3,500

K-2 Corporation is ordered to pay K2 Performance Systems (UK) Limited the sum of £3,500. 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 5th day of October 2011

**David Landau
For the Registrar
the Comptroller-General**

ⁱ Section 6A of the Act reads:

- “(1) This section applies where –
- (a) an application for registration of a trade mark has been published,
 - (b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
 - (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.
- (2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.
- (3) The use conditions are met if –
- (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
 - (b) the earlier trade mark has not been so used, but there are proper reasons for non-use.
- (4) For these purposes –
- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
 - (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.
- (5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.
- (6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.
- (7) Nothing in this section affects –
- (a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

ⁱⁱ *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

ⁱⁱⁱ *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

^{iv} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

^v *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

^{vi} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* Case C-39/97.

^{vii} He considered that the following should be taken into account when assessing the similarity of goods and/or services:

(a) The respective uses of the respective goods or services;
(b) The respective users of the respective goods or services;
(c) The physical nature of the goods or acts of service;
(d) The respective trade channels through which the goods or services reach the market;
(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

^{viii} *Sabel BV v Puma AG* Case C-251/95.

^{ix} *Sabel BV v Puma AG* Case C-251/95.

^x *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

^{xi} *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

^{xii} “43 None the less, the applicant continues to submit that the earlier mark is perceived by the relevant public as being MNICARE, preceded by a logo representing a solid circle with a number of overlying half-shaded circles. However, it does not submit any evidence to support its argument that the relevant public perceives and will continue to perceive the earlier mark in the same way as the official who registered it in 2005.

44 The official of the Deutsches Patent- und Markenamt registered the word ‘minicare’ and not the word ‘mnicare’, and did so without inserting any form of logo in front of that word element. In other words, the official did not perceive the earlier mark as being MNICARE, preceded by a logo, as submitted by the applicant.

45 The applicant’s argument in relation to the way the earlier mark is perceived by the relevant public, which is substantiated only by that registration and which has been shown to be erroneous in any event as it contains an additional ‘i’ between the ‘m’ and the ‘n’, thus does not convince the Court.

46 Consequently, the Court finds that the Board of Appeal was right to consider that the earlier mark was perceived as being OMNICARE by the relevant public, and there is no need for the Court to give judgment on either the admissibility of the applicant’s argument or on the admissibility of the evidence submitted by OHIM and the intervener with a view to establishing that the registration of the earlier mark was corrected by the Deutsches Patent- und Markenamt in August 2008 to read OMNICARE.”

^{xiii} See by analogy that judgment of the GC in *Oakley, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-116/06:

“76 Consideration of the objective circumstances in which the goods and services covered by the marks in dispute are marketed is fully justified. The examination of the likelihood of confusion which the OHIM authorities are called on to carry out is prospective. Since the particular circumstances in which the goods covered by the marks are marketed may vary in time, and depending on the wishes of the proprietors of the trade marks, the prospective analysis of the likelihood of confusion between two marks, which pursues an aim in the general interest, that is, that the relevant public may not be exposed to the risk of being misled as to the commercial origin of the goods in question, cannot be dependent on the commercial intentions, whether carried out or not – and which are naturally subjective – of the trade mark proprietors (*QUANTUM*, paragraph 75 above, paragraph 104, and *T.I.M.E. ART/Devinlec v OHIM*, paragraph 75 above, paragraph 59).”