

O-085-14

IN THE MATTER OF THE TRADE MARKS ACT 1994

-and-

IN THE MATTER OF APPLICATION NO. 2606795 in the name of KARTELL UK  
LIMITED

-and-

IN THE MATTER OF OPPOSITION NO. 103314  
BY KUNZE FOLIEN GMBH

APPEAL TO THE APPOINTED PERSON FROM THE DECISION OF MR GEORGE  
SALTHOUSE, HEARING OFFICER, ACTING ON BEHALF OF THE REGISTRAR  
OF TRADE MARKS DATED 17 APRIL 2013

**DECISION**

**Introduction**

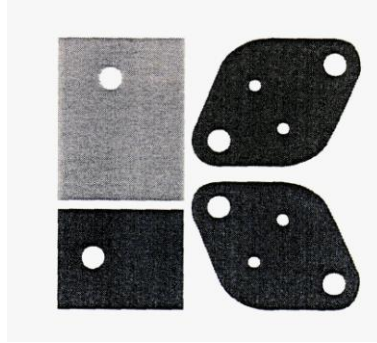
1. This is an Appeal from a Decision of the Hearing Officer, Mr George Salthouse made in Opposition proceedings. The mark in issue ('the mark applied for') is as follows:



2. It is applied for by Kartell UK Limited ('the Applicant') in class 11 for the following goods:

*Installations and apparatus, all for heating and drying; heating radiators; central heating radiators; heating installations; central heating installations and apparatus all for heating boilers; installations and apparatus for air conditioning; parts and fittings for all the aforesaid goods; all included in class 11*

3. The Opposition was brought by Kunze Folien GmbH ('the Opponent') on the basis of their prior CTM registration 877944 for the following device ('the earlier mark'):



registered, also in class 11, for:

*'Heating and cooling apparatus; electric and non-electric cooling apparatus, cool elements and heat-sinks, Peltier elements, heat conducting and heat insulating component parts, in particular for use in electrotechnical, electric or electronic apparatus, instruments or components, data processing equipment and computers*

4. The Hearing Officer found that there was a likelihood of confusion between the mark applied for and the earlier mark under s5(2)(b) of the Trade Marks Act 1994, and therefore upheld the Opposition. I should mention that the Opponent had also alleged a likelihood of confusion with another of its marks, CTM 9206641 ('CRAYOTHERM'). The Hearing Officer did not deal in detail with this ground of opposition, save to say that he considered this mark to be so dissimilar to the mark applied for that the opposition would have failed. There is no Respondent's Notice, so I need say no more about this issue.

## The Notice of Appeal

5. The Reasons for Appeal pleaded by the Applicant in its Notice of Appeal Form TM 55 were brief. I set them out below:

*'The Hearing Officer erred when he found the Opponent's Community Registered Trademark No. 877944 to be confusingly similar to the Applicant's mark. He should have found that the marks were not confusingly similar, should have refused the opposition and should have allowed the application to proceed to registration; and he should also have awarded the Applicant's costs of the opposition.'*

I have characterized the Reasons as 'brief'. One might equally characterize them as verbose, since all they say in effect is *'The Hearing Officer was wrong'*. No actual error in the reasoning of the Hearing Officer is identified. All that is said is that he should have found the marks not confusingly similar – but that simply takes issue with his ultimate conclusion on the single issue before him, it does not provide a 'reason' to overturn his conclusion.

6. As set out in the skeleton argument of Mr Onslow, counsel for the Applicant, various reasons for appeal were given including the following:
  - (a) *'Where the Hearing Officer fell into error was in paragraph 17, where he held that the visual similarities of the marks outweighed the differences.'*
  - (b) *'Ultimately there was a common error running through all these points: the Hearing Officer was quite simply wrong in that he failed to take into account the fact that the average consumer would not attach any trademark significance to a single letter such as K.'*

7. Mr Onslow made a number of other points orally. In particular he argued that the Hearing Officer had over-analysed the mark applied for, concentrating on the 'K' part to the exclusion of the rest (even though this precisely what the Hearing Officer had said on a number of occasions he was not doing). He said this failure to 'see the wood for the trees' had led him to place too much emphasis on the similarities between the marks, as opposed to the differences.
  
8. Before me, Mr Hall, counsel for the Opponent, drew attention to the inadequacy of the pleaded Reasons for Appeal. He referred *inter alia* to the decision of the Appointed Person in Coffeemix [1998] RPC 717 at 722:

*'The above considerations highlight the importance of a full Statement of Grounds of Appeal and Statement of Case being served pursuant to [Rule 71]...It must be full in the sense that it must outline each of the grounds of appeal relied upon and state the case relied upon in support of those grounds. It should be as succinct as possible but it must be complete'.*

9. Mr Hall took the position that, having failed to provide any Reasons for Appeal, save the pure assertion that the Hearing Officer was wrong, it was not open to Mr Onslow to make any arguments at the hearing before me. He was prepared to accept that it was open to Mr Onslow simply to assert that no reasonable tribunal could have reached the conclusion which the Hearing Officer had reached, but not that he could put forward any specific reasons in support of this assertion.
  
10. On this issue I conclude as follows:

(a) Mr Hall is right to say that the Reasons for Appeal were wholly inadequate. The purpose of this section of the Notice of Appeal is for the Appellant to set out the essential points he or she intends to make on Appeal. It is important for two reasons. First to enable the Respondent to prepare a skeleton argument which properly responds

to the points at issue. Second to enable the Respondent to understand what points are no longer being pursued. In the present case, for example, the Appellant ran an argument below that the average consumer would understand the significance of the letter 'K' in its mark as referring to the first letter of its corporate name. Before me, Mr Onslow accepted that this had been a bad point and did not pursue it. But how was the Respondent to know this, faced with an entirely uninformative Notice of Appeal?

- (b) The Respondent in this case would have been entitled to apply for the Notice of Appeal to be struck out. Had such an application been made, no doubt the Appellant would have responded by providing proper particulars and seeking permission to amend.
- (c) No application to strike out was made before the hearing, and Mr Hall did not pursue such an application at the hearing either. The course which he proposed instead, which effectively sought to muzzle Mr Onslow from making any arguments in support of his Appeal, does not strike me as a reasonable proposition in adversarial litigation. Nor does it seem to me that there is any injustice in the present case in permitting Mr Onslow to make his arguments. The particular points which he has raised are not inherently startling or novel, and Mr Hall candidly and fairly accepted that neither he nor his clients were prejudiced by having to deal with them at relatively late notice.
- (d) In all the circumstances, I propose to deal with the Appeal as it was presented by Mr Onslow in his skeleton argument and at the hearing before me. However, I will bear in mind the inadequacy of the pleaded case when considering the question of costs.

### **The Hearing Officer's Decision**

11. The Decision follows a fairly typical structure, setting out in paragraph (9) the established list of factors to be borne in mind when considering 'likelihood of confusion' in trade mark cases (he used the version endorsed by Arnold J in Och-Ziff Management Europe Limited v Och Capital LLP [2010] EWCH 2599). There is no dispute between the parties as to the correctness of this approach.
  
12. The Hearing Officer goes on in paragraph 11 to consider 'the average consumer and the nature of the purchasing process'. For this purpose he does not consider the various goods covered by the specifications separately. He treats both specifications as covering ('broadly speaking') *'heating and cooling systems'*. As he points out, these could vary from stand alone plug in units which would be purchased by an individual to complex industrial systems, and therefore the average consumer would include both members of the public and trade purchasers. Furthermore, the cost of items falling within the specifications might vary enormously, potentially affecting the degree of care which would be taken with the purchasing process.
  
13. In the end, he concludes that *'even at the cheaper end the average consumer will pay a reasonable amount of attention to the selection as it has to perform the intended function and may need to be integrated into an existing system'*. Neither party before me took any issue with this conclusion, which seems to me to be correct. The average consumer may have the characteristics of either a member of the public or the trade, but the equipment covered by the specification is technical and therefore it is right to consider that a fair amount of care will be taken in the purchasing process.

14. The Hearing Officer notes in paragraph 12 of his Decision that the parties had agreed that the specifications of the mark applied for and the earlier mark were identical. This would appear to be on the basis that the earlier mark is broader and by the words *'heating and cooling apparatus'* covers the whole scope of the mark applied for.
15. In paragraph 15, the Hearing Officer states that, although the Opponent had sought to rely in its pleadings on enhanced reputation through use, it had not substantiated this by evidence. He therefore proceeds on the basis that the earlier mark had no such reputation – this decision is plainly right and is not challenged on appeal.
16. He then turns to consider the dominant and distinctive components of the mark applied for. He finds that the 'THERM' element of the mark is partially descriptive because of its associations with temperature, whether as a unit of heat energy or as part of the words 'thermometer, 'thermostat' (from the Ancient Greek word for 'heat'). However, he rightly concludes that he should not ignore the totality of the marks and *'must compare them as wholes'*.
17. The next three sections of the Decision are headed 'Visual Comparison', 'Aural Comparison' and 'Conceptual Comparison'. As in most cases, these are the central planks upon which the Hearing Officer bases his decision on likelihood of confusion.
18. On the subject of visual comparison, the Hearing Officer rightly dismisses the significance of the red coloration on the mark applied for, given that the earlier mark contained no limitation as to colour. He then turns to consider the significance of the 'dot' in the middle of the mark applied for. Apparently the opponent had contended before him that it would be seen as the letter 'O' (not a contention which was pursued before me). The Hearing Office rightly rejects this and concludes that it is far more likely to be seen as a 'dot'. Somewhat puzzlingly he goes on to remark that it

might also be seen as *'a hole drilled in the sign'*. Mr Hall sought to place some reliance on this point as providing a connection between the two marks (the earlier mark being explicitly full of drilled holes), but I do not believe the Hearing Officer made that connection and to my mind it is far-fetched in the extreme.

19. The Hearing Officer then concludes as follows on visual similarity:

*'The opponent's mark clearly consists of four engineering plates, complete with holes, which have been placed to form a heavily stylized letter 'K'...Clearly there are points of similarity in that both marks have a letter 'K' in them...Whilst I accept that the plates are cleverly positioned, there is no doubt that the mark would be perceived as a letter 'K', albeit a stylized version. As the opponent's mark is registered then it must be considered to be distinctive. The letter 'K' is the first element of the mark in suit and the only element in the opponent's mark, albeit very stylized and created by a device element. Equally clearly there are differences in that the mark in suit also has a 'dot' and the word 'THERM' in it. Given the descriptive nature of the word 'THERM' which is accepted by the applicant, I believe that the visual similarities outweigh the differences'.*

20. I am not entirely sure what is meant by the final words in this paragraph, but I take it to be another way of saying he considered that there was moderate to high degree of visual similarity. If that is the case, then in my view the hearing officer has greatly exaggerated the real visual similarity between these marks. The visual appearance of the earlier mark is a cunning arrangement of differently shaped engineering plates (one light coloured, three dark) complete with holes, made to resemble the letter K. The visual appearance of the mark applied for is that of a black rectangle, imprinted with a word of six letters, divided by a dot into two sections: the letter K and the letters 'THERM'. The letters in the mark applied for are stark and abstract. The only similarity is the letter K. To my mind, this creates at best only a low level of visual similarity between the marks.



21. Turning to 'aural comparison', the Hearing Officer notes that the mark applied for is most likely to be referred to as 'K-Therm'. He concludes that *'Again there are similarities and differences'* without drawing any further conclusions.

22. On 'conceptual comparison', the Hearing Officer states as follows:

*'The applicant accepts that the 'THERM' element of its mark is partially descriptive and, given that the goods are concerned with heating and/or cooling, it will simply serve to emphasise the nature of the goods. The main conceptual image is therefore the letter 'K' which, as far as I am aware has no meaning for such goods'.*

When assessing the conceptual similarity between marks, the first task must be to identify the concept brought to mind by each mark in turn. Then the concepts should be compared. This is a quite separate question from the issue of whether a concept may be so trivial or inconsequential (because, for example, it is descriptive of the goods) that the conceptual similarity between the marks can be largely disregarded in the overall assessment of likelihood of confusion.

23. The Hearing Officer has in my view erred in relation to conceptual similarity by (i) not identifying the concept of the earlier mark at all; (ii) not comparing the concepts of the marks; (iii) mixing up the question of descriptiveness with the question of the concept of the mark.

24. The right approach is as follows. The concept of the earlier mark is an arrangement of engineering plates made up to look like the letter K. The concept of the mark applied for is a composite word made up of the letter K and the word THERM (thus implying some connection with heat or heating), presented in a stark way against a black background. The conceptual similarity between the marks is low.

25. Having considered the three aspects of similarity, the Hearing Officer turns between paragraphs 20 and 23 to the overall assessment of similarity and the likelihood of confusion. He cites the well-known passage in Case T—6/01 Matratzen v OHIM in which it is said that a complex trade mark is not similar to another trade mark which identical or similar only to one of the components of the complex mark unless *‘that component forms the dominant element within the overall impression created by the complex mark. That is the case where that component is likely to dominate by itself, the image of that mark which the relevant public keeps in mind, with the result that all the other components of the mark are negligible within the overall impression created by it.’*
26. Taken at face value, at least, the significance of this quotation is that there could be no similarity (or at least no sufficient similarity) in the present case unless the letter ‘K’ is regarded as the ‘dominant’ element of the mark applied for (using ‘dominant’ in the Matratzen sense). It is therefore perhaps surprising that, having made this point, the Hearing Officer does not seem to have gone on to consider this issue. If he had considered the point, he ought in my view to have concluded that the ‘K’ is not dominant in the Matratzen sense because the word ‘THERM’ and the device elements of the mark are not *‘negligible’* within the overall impression of the mark.
27. The Hearing Officer goes on in paragraph 21 to quote verbatim five paragraphs from the Applicant’s skeleton argument. Although there are five paragraphs, in essence only two points were being made:
- (i) That it is very rare for a single letter to perform a distinguishing role as a trade mark or within a trade mark. Where it occurs, it is only through overwhelming use. [paragraph 10 of the Applicant’s skeleton argument].

- (ii) That the letter 'K' in the present case would be taken by the public as a reference to *'the initial letter of the company name'*.  
[paragraphs 11-12].

The Applicant was of course relying on these points to 'downgrade' the significance of the commonality of the letter K in the two marks, so far as concerns the likelihood of confusion.

28. In paragraph 22 of his Decision, the Hearing Officer rightly dismisses point (ii) (which as I have said is no longer pursued by the Applicant). However, he nowhere deals with point (i), which is more important and is in many ways the crux of this case. In my view his failure to address this point was a serious error in his Decision. It is always important to consider the significance in trade mark terms of the common element between two marks. If the common element has little significance in trade mark terms (because it is commonplace, trivial or descriptive), then this will inevitably reduce the likelihood of confusion.
29. Mr Onslow prays in aid (on the issue of the distinctiveness of individual letters or combinations of letters within composite marks) a decision of the Fourth Board of Appeal of OHIM in the case of Alfa-Beta Vissilopoulos AE v Agro de Bazan Case R 82/2011-4. There the Board had to consider the likelihood of confusion between the mark applied for which comprised the letters AB (or possibly simply B or PB, depending how one saw it) in a stylized form, and various earlier marks comprising inter alia the letters AB in a different stylized form, for the same goods. At paragraph 16 they said as follows:

*'As to the distinctive character of the letter combination 'AB' in the earlier marks and of the contested mark, either perceived as the letter 'B' or as a possible letter combination such as 'PB' or 'AB', it should be noted that letters or letter combinations of two or three letters are inherently weak, given the limited number of letters in the alphabet, the great number of*

*meanings that acronyms and abbreviations may have and the fact that consumers frequently encounter abbreviations and letter combinations of all kinds in everyday life and business as generic abbreviations but not as marks. In view of this, the graphical design in which the letter combinations appear strongly influences the consumer's perception. The distinctive character of the conflicting marks to a large extent rests in their specific graphic elements.'*

30. I believe that this is an important point, well expressed by the Board, and directly applicable to the present case. Ultimately the only similarity between these two device marks is that they both include the letter K. This coincidence is unlikely to be regarded as of any real significance by the average consumer, given the commonplace nature of the letter K in words and phrases including many other trade marks to which he or she is constantly exposed.

31. The Hearing Officer went on to conclude that the '*similarities* [between the marks] *outweigh the differences*' (paragraph 22) and that '*the similarities between the trade marks are such that when used on identical goods there is a likelihood of confusion on the part of the public*' (paragraph 23).

### **My conclusion**

32. As will be apparent from my analysis of the similarities between the marks and the lack of significance of the common element 'K', I do not agree with the Hearing Officer's conclusion. In my view the mark applied for is not likely to cause the average consumer wrongly to believe that goods sold under that mark come from the same or economically linked undertakings as those sold under the earlier mark.

33. Mr Hall reminded me of the principles set out in Reef [2003] RPC 5 paragraphs 21-28. In short, a decision of an experienced hearing officer

on the question of likelihood of confusion should not be overturned merely because the Appointed Person would have come to a different decision on the facts. It should only be overturned where the hearing officer can be shown to have made '*a distinct and material error of principle*' or if '*the decision was plainly wrong*'.

34. In the present case I believe that both of the Reef provisos apply. The Hearing Officer erred in principle, firstly in his approach to the conceptual comparison between the marks and secondly by failing to consider the very limited inherent distinctiveness and trade mark significance of individual letters. He was also in my view plainly wrong in his conclusions on visual and conceptual similarity, and in his conclusion on the overall question of likelihood of confusion.

35. I therefore shall allow the appeal and direct that the mark should proceed to grant.

### **Costs**

36. On costs, I shall discharge the costs order made below and award costs below in the Applicant's favour. However, I shall award no costs of the appeal as a sanction for the inadequate Reasons for Appeal. The costs order will therefore be that the Opponent will pay £600 towards the costs of the Applicant in the IPO proceedings, and there shall be no costs of the Appeal.

**IAIN PURVIS QC**  
**THE APPOINTED PERSON**

**10 FEBRUARY 2014**