

O-132-18

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3191696 BY KOTO STUDIO LIMITED TO
REGISTER THE FOLLOWING TRADE MARK**

KOTO

IN CLASSES 35 AND 42

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 408452
BY KOZO TECHNOLOGIES LIMITED**

BACKGROUND AND PLEADINGS

1) Koto Studio Limited (hereafter “the applicant”) applied to register trade mark no. 3191696, KOTO on 18 October 2016 in respect of the following list of services:

Class 35: *Business services relating to branding design, graphic design; project management; business advice in the context of design services; provision of commercial information in the context of design services; merchandising and marketing and consultancy; advertising, promotional, brand creation and development services and consultancy; marketing and promotional services; advertising services; advertising creation services; copywriting; advisory and consultancy services relating to all the aforesaid services.*

Class 42: *Digital design; identity design; graphic design; design of motion graphics; design of moving images; in store graphic design; literature design; packaging design; point of sale design; signage design; web design; technical drawing services; technical advisory services relating to design; design services; design consultancy services; brand consultancy; product design; design of corporate communication material; brand design; design of printed matter including stationery, packaging, marketing and publicity materials, audio-vision material and corporate identities, design of graphics and of livery for corporate identity; graphic design services; consultancy and advisory services relating to the aforesaid services.*

2) The application was published for opposition purposes in the Trade Marks Journal on 4 November 2016. Kozo Technologies Limited (hereafter “the opponent”) opposes the trade mark on the basis of section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opposition insofar as it is directed against the applicant’s Class 35 services is on the basis of the following trade mark:

3035460

Kozo

Filing Date: 18 December 2013

Registration date 6 June 2014

Class 9: ...

Class 25: ...

Class 35: *Retail store services and online retail store connected with the sale of electronic equipment namely computer hardware, servers, monitors, imaging equipment, storage devices, networking devices, photographic equipment, computer software for businesses, government institutions, and educational institutions; Providing consumer product information and advice relating to electronic equipment, telecommunications products and services, and computer software for businesses, government institutions, and educational institutions; Providing online reviews and product comparisons in the field of consumer electronics, household appliances, home theater equipment, photographic equipment, cellular phones, telecommunications products and services, information technology products, video equipment, audio equipment, portable electronic devices and related accessories, personal computers and other home office products, imaging equipment, digital equipment, video and electronic games, video and electronic game equipment and accessories, entertainment furniture, computer software, entertainment software, compact discs, digital versatile discs or DVDs, optical discs, audio and video recordings, sporting goods, health and fitness equipment, batteries, automotive audio equipment, toys and musical instruments; Providing an online advertising marketplace for consumers to trade-in the consumer electronics of others.*

3) The opposition insofar as it is directed against the applicant's Class 42 services is on the basis of the following European Union Trade Mark ("EUTM"):

EU3238193

KOZO

Filing date: 18 June 2003

Date of entry in register: 3 January 2005

Class 9: ...

Class 16: ...

Class 42: *Computer and computer software programming services; information management services; database design and database programming services; data manipulation via computer software programs and research and development relating thereto; professional and consultancy services relating to the aforesaid services.*

4) The opponent claims that the respective marks are earlier marks within the meaning of section 6(1) of the Act, that they are similar to the applicant's mark and that they are in respect of similar services.

5) The applicant filed a counterstatement denying the claims made. It also requests that the opponent provides proof of use in respect of the services relied upon in its earlier EUTM. It is entitled to do this because the earlier EUTM completed its registration procedure more than five years before the contested application was published and the proof of use provisions set out in section 6A of the Act apply. However, the opponent did not provide any proof of use and, as a consequence of this, its opposition insofar as it was based upon its earlier EUTM, was struck out. The EUTM was relied upon to challenge the applicant's Class 42 services. Therefore, the consequence of this part of the opposition being struck out is that the proceedings are only directed at the applicant's Class 35 services.

6) Neither side filed evidence nor requested a hearing. The opponent filed written submissions in lieu of evidence and the applicant filed submission in lieu of evidence and again in lieu of a hearing and I keep these in mind when making my decision.

DECISION

7) Section 5(2)(b) of the Act is as follows:

“5(2) A trade mark shall not be registered if because-

(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”.

Comparison of goods and services

8) In the judgment of the Court of Justice of the European Union (“the CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary”.

9) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(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.

10) Whether goods and services are complementary in the sense referred to by the CJEU in *Canon* was considered by the General Court (“the GC”) in *Boston Scientific Ltd v OHIM* - T-325/06:

“82 It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757, paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000, paragraph 48).”

11) I also keep in mind the guidance in *Avnet Incorporated v Isoact Limited* - [1998] F.S.R.16 (HC):

“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.”

12) Finally, I also keep in mind the guidance of the GC in *Gérard Meric v OHIM*, T-133/05 (“*Meric*”):

“29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T- 10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

13) The respective services are:

Opponent’s services	Applicant’s services
<p>Class 35: <i>Retail store services and online retail store connected with the sale of electronic equipment namely computer hardware, servers, monitors, imaging equipment, storage devices, networking devices, photographic equipment, computer software for businesses, government institutions, and educational institutions; Providing consumer product information and advice relating to electronic equipment,</i></p>	<p>Class 35: <i>Business services relating to branding design, graphic design; project management; business advice in the context of design services; provision of commercial information in the context of design services; merchandising and marketing and consultancy; advertising, promotional, brand creation and</i></p>

<p><i>telecommunications products and services, and computer software for businesses, government institutions, and educational institutions; Providing online reviews and product comparisons in the field of consumer electronics, household appliances, home theater equipment, photographic equipment, cellular phones, telecommunications products and services, information technology products, video equipment, audio equipment, portable electronic devices and related accessories, personal computers and other home office products, imaging equipment, digital equipment, video and electronic games, video and electronic game equipment and accessories, entertainment furniture, computer software, entertainment software, compact discs, digital versatile discs or DVDs, optical discs, audio and video recordings, sporting goods, health and fitness equipment, batteries, automotive audio equipment, toys and musical instruments; Providing an online advertising marketplace for consumers to trade-in the consumer electronics of others.</i></p>	<p><i>development services and consultancy; marketing and promotional services; advertising services; advertising creation services; copywriting; advisory and consultancy services relating to all the aforesaid services.</i></p>
--	---

14) The opponent submits that the applicant's *merchandising and marketing and consultancy; advertising, promotional, brand creation and development services and consultancy; marketing and promotional services; advertising services* are general terms that contain the services of the earlier mark.

15) The applicant submits that the opponent's services are essentially retail store services, providing product information and advice, providing online reviews and comparisons. It claims that these services are all to do with the sale of products, reviews of such products and information about such products. It submits that, on the

other hand, its services are professional services usually provided to other businesses. It contends that the respective services are different and cannot be considered similar just because they are classified in the same class. I agree in respect of most of the applicant's services. However, there is some question over the reference to *merchandising* in the applicant's list of services. It appears as part of the term *merchandising and marketing and consultancy*. Therefore, it is not clear to me whether it is a reference to *merchandising* per se or to *merchandising consultancy*. On a plain reading, the reference to *merchandising* is as a standalone term. It is defined as "[t]he activity of promoting the sale of goods, especially by their presentation in retail outlets"¹. Therefore, it is clear that this is part of the package of services covered by the term *retail services* and applying the guidance in *Meric*, it is identical to the opponent's various retail services.

16) In respect of the remaining contested services, I generally agree with the applicant when it contends that the respective average consumers are different. The opponent's specification covers services that would normally be expected to be provided to ordinary members of the public whereas the applicant's services are of the kind that are generally expected to be provided to other businesses.

17) There are a few exceptions, namely the opponent's *Retail store services and online retail store connected with the sale of electronic equipment namely ... computer software for businesses, government institutions, and educational institutions* and *Providing consumer product information and advice* relating to the same. There is some tension in these descriptions because the term *retail* is normally understood to be a reference to "the sale of goods to the public in relatively small quantities for use or consumption rather than for resale"². I understand this to be describing a business to general public activity, whereas the reference to *businesses, government institutions, and educational institutions* is clearly not the general public. However, these references make it clear to me that the term is meant to identify the average consumer of these services as being businesses and institutions. Therefore, in respect of these services, I conclude that they share overlapping average consumers to those of all the applicant's services. However, the

¹ <https://en.oxforddictionaries.com/definition/merchandising>

² <https://en.oxforddictionaries.com/definition/retail>

respective trade channels are different with the consumer typically accessing the opponent's services via a real world or virtual retail environment whereas the applicant's services are typically accessed via face-to-face business meetings, electronic/printed correspondence or by telephone. Further, this is only one factor when considering similarity of services. Their nature, intended purpose and methods of use are also different in that the opponent's services are provided from a "bricks and mortar" or virtual retail environment and involve presenting goods to potential purchasers to enable them to make an informed decision regarding their suitability. The applicant's services are all services that assist a business to improve and/or develop their outward facing image to their customers by way, for example, of improving their brand. The respective services are not in competition and neither is one essential or important to the existence of the other and, therefore, they are not complementary in the sense expressed in *Boston Scientific*. In summary, there is no similarity between the opponent's *Retail store services and online retail store connected with the sale of electronic equipment namely ... computer software for businesses, government institutions, and educational institutions* and the applicant's services.

18) In respect of all of the remaining of the opponent's services, they are also retail services, product information and reviews that they are not stated to be targeted at business users and therefore, any similarity cannot be higher than for the services compared in the previous paragraph. Consequently, I confirm that there is no similarity.

19) In summary, I have found that the applicant's *merchandising* is identical to the opponent's services but that the remaining contested services share no similarity. Taking account of the guidance of the CJEU in *Waterford Wedgwood plc v OHIM* – C-398/07 P i.e. that some similarity between the respective goods or services is necessary for a finding of a likelihood of confusion, my finding of no similarity between the respective services (except *merchandising*) is fatal to the opposition against these services. Therefore, I will consider the other factors that contribute to the global appreciation test in respect only insofar as the application covers *merchandising*.

Comparison of marks

20) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23), Case C-251/95, that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

21) It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

22) The respective marks are:

Opponent's earlier mark	Applicant's mark
Kozo	KOTO

23) The parties' marks both consist of a single, four letter word and it follows that these single words are the dominant and distinctive elements of each mark.

24) Visually, the respective marks share the same first, second and fourth letters and this creates an element of similarity. They differ in that they have different third

letters, namely, a letter “z” in the opponent’s mark and the letter “T” in the applicant’s mark. As both marks consist of just four letters, a single letter difference has a greater impact than perhaps it would have in a longer word. Taking all of this into account, I conclude that the respective marks share a medium to high level of visual similarity. I add that the fact that the opponent’s mark is presented with an uppercase first letter and lowercase second, third and fourth letters and the applicant’s mark is presented all in uppercase has no impact upon my considerations. This is because both marks are presented in ordinary typeface and this is considered to permit the owners to use their marks in uppercase, lowercase or with an uppercase first letter.

25) Aurally, both marks consists of two syllables, namely KO-ZO in the opponent’s mark and KO-TOE in the applicant’s mark. Therefore, they share the same first short syllable, but they differ in that they have different second syllables. As the applicant submits, the opponent’s mark has a soft beginning similar to the “s” sound in the word “sow” and in the case of the applicant’s mark, the second syllable has a hard “tuh” sound at its beginning. In summary, the respective marks share a medium to high level of aural similarity.

26) The applicant claims that the word “koto” means a Japanese stringed instrument. I note this, but it is not obvious to me that such a meaning will be apparent to the average UK consumer. Ms Anna Carboni sitting as the Appointed Person in *CHORKEE Trade Mark* BL O-048-08 warned against concluding that merely because a word appeared in a dictionary that its meaning will be known by average consumers. In this case, as the word is not common, in the absence of evidence to the contrary, it would be wrong to conclude that its meaning is known by the average consumer. Consequently, I conclude that both marks will be perceived as having no obvious meaning and are likely to be perceived as invented words, neither with any concept. Therefore, they are neither conceptually similar nor different.

Average consumer and the purchasing act

27) The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer’s level of attention

is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

28) In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

29) I have found that the opponent's *retail services* are identical to the applicant's *merchandising* and it follows that the average consumer of the respective services is the same. These are normally the general public and the level of care and attention will vary depending on the goods being sold. In the case of the opponent's services these are limited to various types of computer hardware and other technical goods where the level of care and attention is likely to be more than in respect of every day products but still not the highest. The nature of the purchasing act is likely to be predominantly visual in nature with consumers of these services being attracted by print advertising, or on the Internet. However, I do not ignore that aural considerations may play a part on occasions.

Distinctive character of the earlier trade mark

30) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV, Case C-342/97* the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the

goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

31) The opponent has provided no evidence and therefore, there is nothing before me to illustrate that its mark has acquired an enhanced level of distinctive character. Consequently, I need only consider the inherent level of distinctive character of the opponent’s mark. In that respect, I have already noted that it is likely to be perceived as an invented word with a consequent high level of inherent distinctive character.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion

32) The following principles are gleaned from the decisions of the CJEU in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

33) I have found that the respective services are identical. I factor this into my global appreciation and I also take account that:

- each mark consists of a single word that is the dominant and distinctive element of each mark;
- the respective marks share a medium to high level of visual and aural similarity;
- the respective marks will be perceived as invented words and consequently they are neither conceptually similar, nor dissimilar;
- the average consumer is the same for both parties' services and consists mainly of the general public;
- the purchasing process is primarily visual in nature (but I don't ignore aural considerations) and these consumers pay an above average level of care and attention during the purchasing act, but not the highest level;
- the opponent's mark is endowed with a high level of inherent distinctive character and this is not enhanced through use.

34) Some of these factors point towards a likelihood of confusion, namely, that identical services are involved, the level of visual and aural similarity and the high level of distinctive character of the opponent's mark. Further, neither mark will be perceived as having a conceptual hook that may create more distance between the marks in the minds of the consumer. These factors, when taken together, outweigh the fact that the average consumer pays an above average level of care and

attention (a factor that would make confusion less likely). When all these are considered together, I conclude that the average consumer is likely to confuse one mark for the other and that the applicant's *merchandising* is provided by the same or linked undertaking as the services provided under the opponent's mark.

Conclusion

35) The opposition succeeds in respect of the applicant's *merchandising* only, but fails in respect of all of the applicant's services.

.

Costs

36) The applicant has been successful and is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 2 of 2016. I take account that neither side filed evidence but that both sides filed written submissions in lieu of a hearing. I award costs as follows:

Considering the statement of case and preparing a counterstatement	
£300	
Considering submissions and preparing own submissions	£350
TOTAL	£650

37) I order Kozo Technologies Limited to pay to Koto Studio Limited the sum of **£650**. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 28th day of February 2018

Mark Bryant
For the Registrar
The Comptroller-General