

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2338998
BY OKA DIRECT LIMITED
TO REGISTER A TRADE MARK IN CLASSES 2, 4, 8, 11, 14, 16, 18, 20, 21, 22,
23, 24, 25, 26, 27, 28, 35 AND 42**

**AND IN THE MATTER OF OPPOSITION THERETO UNDER No. 92226
BY HOKOCHEMIE GMBH**

**AND IN THE MATTER OF AN APPEAL
TO THE APPOINTED PERSON
BY THE APPLICANT
AGAINST THE DECISION OF MR. M. REYNOLDS
DATED 7 APRIL 2005**

DECISION

Introduction

1. This is an appeal against a decision of Mr. M. Reynolds, the Hearing Officer acting on behalf of the Registrar, dated 7 April 2005, BL O/092/05, in which he found an opposition filed by Hokochemie GmbH (“the Opponent”) against registration of UK Trade Mark Application No. 2338998 in Class 2 successful under section 5(2)(b) of the Trade Marks Act 1994 (“TMA”).
2. Section 5(2)(b) of the TMA provides that 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.
3. Application No. 2338998 concerns the word mark OKA. OKA Direct Limited (“the Applicant”) made the Application on 28 July 2003 seeking registration of OKA for various goods and services in Classes 2, 4, 8, 11, 14, 16, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 35 and 42.
4. Following publication, the Opponent filed notice of opposition on 24 December 2003. The sole ground of opposition was under section 5(2)(b) of the TMA and related only to the Application in Class 2 of the Register. The applied for Class 2 goods in question are:

Paints, varnishes, lacquers; dyestuffs; preservatives against rust and against deterioration of wood; colorants; mordants; raw natural resins;

metals in foil and powder form for painters, decorators, printers and artists.

5. The opposition was based on the following International Trade Mark registered under number 701295 in the name of the Opponent effective in the UK from 31 July 1998¹:



The specification of goods of International Registration No. 701295 covers:

Paints, varnishes, lacquers; preservatives against rust and deterioration of wood; dyes, mordants; unprocessed natural resins; metals in foil and powder form for painters, decorators, printers and artists; chemical additives for paint, varnishes, lacquers, preservatives against rust and deterioration of wood, dyes and mordants.

6. The Applicant joined issue with the Opponent on the ground of opposition. The Applicant admitted the identity/similarity of some of the respective goods but did not admit the similarity of chemical additives for paint, varnishes, lacquers, preservatives against rust and deterioration of wood, dyes and mordants in the earlier mark to goods in the Application. I would remark in passing that goods are identical/similar where there is an overlap in specifications. There is no need for specifications to co-extend (*GALILEO Trade Mark* [2005] RPC 22). The Applicant also denied that the marks were similar.
7. Both sides filed evidence and the Applicant made written submissions. However, the parties did not wish an oral hearing and the Hearing Officer reached his decision that the opposition in Class 2 under section 5(2)(b) of the TMA succeeded, on the basis of the papers before him.
8. On 4 May 2005, the Applicant filed notice of appeal to an Appointed Person. The appeal came to be heard by me on 5 December 2005. Mr. Ian Bartlett, Messrs. Beck Greener appeared on behalf of the Applicant. Dr. Wolfgang Munk, who is the managing director of the Opponent, appeared on its behalf.

¹ Actually protected in the UK in August 2002.

Division of the Application

9. Prior to the hearing of the appeal, I considered a letter sent by the Applicant to the Registrar expressing a wish to divide the Application as regards Class 2 of the specification leaving goods and services in Classes 4, 8, 11, 14, 16, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 35 and 42 the subject of the other divisional application.
10. Section 41 of the TMA and rule 19 of the Trade Marks Rules 2000 as amended provide that at any time before registration the applicant may request on Form TM12 division of his application for registration (the original application) into two or more separate applications (divisional applications) indicating for each division the specification of goods or services. Each divisional application will then be treated as a separate application for registration with the same filing date as the original application. The provisions go on to state that where division is requested after publication (as here) any opposition to the original application shall be taken to apply to each divisional application and shall be proceeded with accordingly. Since in the present case, the opposition and the subsequent appeal relate only to Class 2, they would fall away as regards any divisional application in Classes 4, 8, 11, 14, 16, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 35 and 42.
11. Accordingly, I advised the parties that in my view (subject to any observations of the Registrar), an application for division would prima facie be acceptable in the current circumstances provided the proper procedure was followed. The Registrar subsequently confirmed that he had no objection to the Applicant making an application on Form TM12 to divide the Application.

Preliminary request

12. Mr. Bartlett informed me that that his client had brought an invalidity action in the Registry against the earlier mark relied on by the Opponent in these proceedings. Mr. Bartlett proposed that any decision I arrive at on appeal be made provisional on the outcome of the invalidity action. He explained that if the Hearing Officer's decision were overturned on appeal, his client would most likely withdraw from the invalidity action having reached some sort of accommodation with the Opponent. He further drew my attention to a decision of Mr. Hobbs Q.C. sitting as the Appointed Person in *OKO* Trade Mark, BL O/195/03, consequent upon a settlement agreement made between the parties (not the same parties as here) whilst the appeal had been stayed². I enquired of Mr. Bartlett whether the Applicant wished to make a late application for the stay of the present appeal. Mr. Bartlett replied that the Applicant did not. I also asked whether the parties desired a short adjournment to facilitate settlement negotiations. Both parties signified that the appeal hearing should continue uninterrupted. The Appointed Person does not issue provisional judgments. However, I indicated that I would delay the writing of my decision and that the parties should inform me of any agreement

² The decision in BL O/195/03 has no bearing on the proceedings in hand.

they might make in the meantime. Several weeks have elapsed and I have received no such notification.

The appeal

13. This appeal is by way of review only. The parties accept that the correct approach is that set out by Robert Walker L.J. in *REEF* Trade Mark [2003] RPC 101 at page 109:

“In this case the hearing officer had to make ... a multi-factorial comparison, evaluating similarity of marks, similarity of goods and other factors in order to reach conclusions about the likelihood of confusion ... It is not suggested that he was not experienced in this field, and there is nothing in the Civil Procedure Rules to diminish the degree of respect which has traditionally been shown to a hearing officer’s specialised experience ... On the other hand the hearing officer did not hear any oral evidence. In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.”

14. The grounds of appeal are, as I understand it, twofold:
- (i) The Hearing Officer ignored or gave insufficient weight to the device element/stylisation in the earlier mark when comparing the marks for the global assessment of likelihood of confusion.
 - (ii) The Hearing Officer failed to pay due regard to the evidence relating to the Opponent’s own use of the earlier mark.

The device element/stylisation in the earlier mark

15. The Applicant complains that the Hearing Officer erred in failing to compare the marks as wholes but instead concentrated on the component “OKO” in the Opponent’s mark and compared that to the Applicant’s OKA mark. The Applicant accepts that the Hearing Officer directed himself in accordance with the relevant authorities – the decisions of the Court of Justice of the European Communities (“ECJ”) in Case C-251/95 *Sabel BV v. Puma AG* [1997] ECR I-6191, Case C-39/97 *Canon Kabushiki Kaisha v. Metro-Goldwyn-Meyer Inc.* [1998] ECR I-5507, Case C-342/97 *Lloyd Schuhfabrik Meyer & Co GmbH v. Klijsen Handel BV* [1999] ECR I-3819 and Case C-425/98 *Marca Mode CV v. Adidas AG* [2000] ECR I-4881³ - but says he failed to take proper account of the dominant stylised letter “H” in the earlier mark. Moreover the Hearing Officer’s findings at paragraphs 33 and 34 of the decision are inconsistent with his conclusions at paragraphs 35 – 39.
16. The Applicant argued in written submissions before the Hearing Officer that the earlier mark was likely to be perceived by the relevant public as “HOKO

³ By means of the well known Registrar’s summary of the ECJ’s jurisprudence in these cases.

& device” or “HOKO (stylised)” rather than “OKO & device”. The Applicant adduced evidence of the Opponent’s use in marketing and in correspondence to support that view (see below). The first question the Hearing Officer addressed was how the relevant buying public would perceive the respective marks in relation to the goods in each case:

“30. The applied for mark can be relatively easily dealt with. It consists of the word OKA. So far as I am aware it is an invented word and, as with most invented words, can be presumed to enjoy a relatively high degree of distinctive character.

31. It is rather more difficult to form a clear view as [to] how the relevant public (which for the goods in question I take to include DIY householders, trade purchasers and industrial users) would perceive the opponent’s earlier trade mark. In essence the issue is whether the device element would be perceived as a distinct and self-contained element within the totality of the mark or whether it would be taken to be a stylised letter H reading directly into the element OKO to form HOKO (again in stylised form). I do not find this an easy matter to resolve.

32. The applicant, understandably, points to the opponent’s company name, and the ambivalent position that the opponent has adopted, to support its (that is the applicant’s) view that it is a HOKO (stylised) mark. It may well be that consumers who are aware of the identity behind the mark or have come across a reference to HOKO (of the kind illustrated in IB1 Tab 2) will interpret the mark in the light of that knowledge. But there can be no presumption that this will necessarily be the case and consumers are not generally credited with approaching trade marks in the spirit of enquiry. What, therefore, will be the reaction of the consumer who is exposed to the mark without the benefit of external prompts?

33. The background device is considerably larger than the element OKO. The latter has the appearance of being superimposed over the right hand upright of the device. My own impression is that the contrast in size, style and presentation between the elements that make up the mark militates against seeing the device as a letter H and, as a consequence, the mark as a whole as HOKO (stylised). I come to that view with some hesitation because I am aware that it is not uncommon for the first letters of words to be presented in a different style and format from the remainder of the word particularly in an advertising context. My reason for doubting that this would happen here is the extreme difference in size and format between the component elements and the fact that the device cannot unequivocally be said to be a letter H. It is true that the underlining of OKO extends beyond that element and to the left in a way that might suggest the bar of a letter H but that seems to me to represent a process of analysis and dissection of the mark which is out of character with the presumed reaction of the average consumer. It would not have been my reaction to the mark

approaching the matter without prior knowledge and on the basis that I was not aware that a question was being asked.

34. In summary, therefore whilst I accept that the opponent's earlier trade mark is capable of being seen in more than one way, my immediate reaction is that the elements coexist rather than coalesce. That being so, the device and the word OKO each contribute to the character of the mark and each (and the mark as a whole) can legitimately claim a high degree of distinctive character."

17. Mr. Bartlett says that the Hearing Officer at paragraph 31 misidentified the issue for decision. Irrespective of how the device element would be perceived, the issue for decision was whether the device element served to distinguish the earlier mark from the later mark when the marks were viewed overall. I do not accept Mr. Bartlett's criticism. At paragraph 31, the Hearing Officer was merely responding to the Applicant's written submissions whilst determining how the relevant public would perceive the respective marks as required by the ECJ jurisprudence he had just cited (*Sabel*, paragraph 23, *Lloyd*, paragraphs 25 and 26). It is not suggested that the Hearing Officer was wrong to consider the elements making up the earlier mark. The ECJ case law has consistently maintained that in comparing marks for the global assessment of likelihood of confusion, a tribunal can properly take into account the distinctive and dominant components of the marks in order to determine the overall impression conveyed by them (*Sabel*, paragraph 23, *Lloyd*, paragraph 25). The ECJ recently confirmed that approach in Case C-120/04 *Medion AG v. Thomson multimedia Sales Germany & Austria GmbH*, 6 October 2005 when the Court ruled that likelihood of confusion can be found where an element plays an independent distinctive role within a mark without alone determining the overall impression conveyed by the composite sign (paragraphs 28 – 38). I am satisfied that the Hearing Officer did not lose sight of the need to consider the marks as wholes.

18. The Hearing Officer then proceeded to a comparison of the respective marks:

"35. I am required to consider the visual, aural and conceptual similarities bearing in mind the overall impression created by the marks and their distinctive and dominant components.

36. The device element of the opponent's earlier trade mark occupies a large part of the mark and is visually dominant but not, I would suggest, to the point that OKO becomes a negligible or entirely subordinate component. Given also the somewhat abstract and indeterminate nature of the device it seems likely that consumer attention will focus on the element OKO at least to the extent that it creates an identifiable reference point (by which I mean a word as distinct from an abstract device) within the mark albeit not one that has a discernible meaning.

37. The device element has no counterpart in the applied for mark. The opponent's objection focuses on the element OKO and the word

OKA. The points of similarity are self evident. Both words are made up of three letters with the first two being the same. They differ in the final vowel. Single letter differences in short words, may result in quite different visual impressions particularly where dictionary words are concerned. That is not the case here. The overall structure and appearance of OKO and OKA is quite similar particularly when allowance is made for imperfect recollection. Reverting to the necessary whole mark comparison I find that the device element in the earlier mark makes a significant contribution to the mark but does not displace the point of visual similarity. There is in overall terms a moderate degree of visual similarity.

38. The opponent's position is arguably stronger when it comes to aural comparison for the simple reason that the device does not readily lend itself to description/oral references. If that is the case then the respective marks are likely to be referred to by reference to the element OKO and OKA. It is usually held that vowel sounds are somewhat less distinct than consonants and that the final syllable of words are often slurred or at least, less clearly articulated. That is likely to be the case here aided by the fact that OK produces a strong and distinct first syllable.

39. As neither mark has a clear meaning, comparison of conceptual similarities and differences is unlikely to be a productive process. I regard conceptual considerations to be subordinate to visual and aural ones in marks of this kind.”

19. The Applicant contends that the Hearing Officer's findings at paragraphs 33 and 34 are at odds with his conclusions at paragraphs 35 – 39. Mr. Bartlett contrasts the phrases “extreme difference in size and format” (of the device and OKO in the earlier mark) and “moderate degree of visual similarity” (between the earlier and the later marks). But that contrast seeks to elide parts of the decision dealing with separate issues. I detect no contradiction in the complained of paragraphs. The Hearing Officer found that the device and OKO components of the earlier mark each contributed to its character as a whole and that each component as well as the whole was possessed of high distinctive character. I am at loss to see why a conclusion that there is a moderate degree of similarity between the earlier and later marks should be precluded by such findings.
20. Mr. Bartlett further questions the appropriateness of aural comparison where one of the marks in question contains a distinctive device element. Given the indeterminate nature of the device element in the Opponent's mark, I believe the Hearing Officer was correct in finding that a significant proportion of consumers would fix on the word OKO as their point of aural reference. The goods clearly lend themselves to being ordered aurally.
21. As to the comparison of the respective goods, the Hearing Officer found that the majority were identical and dye stuffs and colorants in the Applicant's

mark closely similar (paragraph 29). The Applicant does not challenge this finding on appeal.

22. The Hearing Officer expressed his overall conclusion as follows:

“40. It is accepted that there is a large measure of identity between the two sets of goods. The remainder are closely similar. The purchasers or prospective purchasers of those goods could include both the public at large and trade professionals etc. The goods are likely to be selected with some, but perhaps not the very highest degree of, care. The matter turns critically on the impact of the marks within the context of the global test. That in turn depends to an appreciable extent on the weight and significance that is likely to be attached to the device. I have come to the view that, whilst the device makes a significant visual impact and marks a point of differentiation, it is likely to be seen as an independent element that has been brought together with the element OKO to form a composite mark. I am not persuaded that the combination of elements creates a mark that is materially different to the sum of its parts or that the points of difference outweigh the similarity between the elements that give the opponent cause for concern. Making the best I can of the matter, and allowing for the fact that a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, I find there is a likelihood of confusion. The opposition succeeds under Section 5(2)(b).”

23. In my judgment the Hearing Officer cannot be said either to have ignored or to have given insufficient weight to the device element in the Opponent’s mark. The Hearing Officer made a careful and reasoned global assessment of the likelihood of confusion in the particular circumstances of this case and was entitled to arrive at his conclusion that the ground for refusal in section 5(2)(b) of the TMA was made out. The first ground of appeal is rejected.

Evidence of use of the Opponent’s mark

24. The second ground of appeal is that the Hearing Officer failed properly to take into account the evidence adduced by the Applicant of the Opponent’s own use of the earlier mark. The evidence was filed in support of the Applicant’s contention that the earlier mark would be perceived as HOKO & device (consistent with the Applicant’s name Hokochemie GmbH) rather than as OKO & device. The evidence was exhibited to the first witness statement of Ian Bartlett, dated 26 July 2004 and comprised: (a) search extracts from the International Register showing the mark described as HOKO; (b) a copy page from the Opponent’s website referring to the mark HOKO in text under a representation of the earlier mark; (c) copy correspondence from the UK registration file relating to the earlier mark. The Registry itself refers to the mark as “OKO and device”. But in correspondence relating to Registry citations of earlier conflicting marks, the Opponent variously describes its mark as “HOKO” and “OKO & device”. Mr. Bartlett informed me that the Applicant did not seek to rely on estoppel. Dr. Munk replied that the

Opponent has two marks, OKO & device and HOKO (the subject of a CTM application).

25. The Hearing Officer goes through this evidence at paragraph 11 of his decision. He also refers to it at paragraph 21, when describing the Applicant's written submissions, and at paragraph 22, in determining the overall impression of the Opponent's mark on the relevant public. He acknowledges that some consumers who know of the Opponent or who have encountered material like the exhibited web page will interpret the earlier mark in the light of that knowledge. But, he says, account must also be taken of the perceptions of consumers who are exposed to the earlier mark without the benefit of external prompts. In my judgement the Hearing Officer was right to do so. Section 5(2)(b) requires a tribunal to consider notional and fair use of the respective marks for the goods or services in question (*Compass Publishing BV v. Compass Logistics Ltd.* [2004] RPC 809, *Croom's Trade Mark Application* [2005] RPC 23). It must also contemplate that marks may be assigned to new owners (Case C-259/04 *Elizabeth Florence Emanuel v. Continental Shelf 128 Ltd*, Opinion A.G. Colomer, 19 January 2006). The second ground of appeal also fails.

Conclusion

26. In the result the appeal has not succeeded. The Hearing Officer ordered the Applicant to pay to the Opponent the sum of £1200 in respect of the costs of the opposition and I direct that the Applicant additionally pay the Opponent the sum of £1200 towards the costs of this appeal on the same terms as ordered by Mr. Reynolds.

Professor Ruth Annand, 6 February 2006

Mr. Ian Bartlett, Beck Greener, appeared on behalf of the Applicant

Dr. Wolfgang Munk, Hokochemie GmbH appeared on behalf of the Opponent