

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2655215
IN THE NAME OF KEYSTONE WEALTH MANAGEMENT LIMITED**

**AND IN THE MATTER OF OPPOSITION No. 400918 THERETO
BY KEYSTONE IEA LIMITED**

**AND IN THE MATTER OF AN APPEAL TO THE APPOINTED PERSON
BY THE APPLICANT
AGAINST DECISIONS OF MS A. SKILTON DATED 10 JUNE AND 31 JULY 2014**

DECISION

Background

1. This is an appeal against interim and supplementary decisions of Ms. Al Skilton, acting for the Registrar, dated 10 June 2014 (but issued on 16 June 2014) and 31 July 2014 and issued under numbers BL O/270/14 and BL O/337/14 respectively.
2. In those decisions, the Hearing Officer allowed Opposition number 400918 by Keystone IEA Limited (“the Opponent”) and refused Application number 2655215 in the name of Keystone Wealth Management Limited (“the Applicant”) in its entirety.
3. Application number 2655215 was filed by the Applicant on 6 March 2013 requesting registration of the designation represented below for use as a trade mark in the UK:



4. The services for which registration was sought were:

Class 36
Mortgage & Protection Advice, Financial Services
5. The mark was published for opposition purposes in the Trade Marks Journal on 5 July 2013.
6. On 24 September 2013, the Opponent filed Notice of opposition and statement of grounds against the Application under Section 5(2)(b) of the Trade Marks Act 1994.

7. Section 5(2)(b) of the Act states that:

“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.”

8. The Opponent relied in the opposition on its UK Trade Mark number 2641172 represented below in Class 36 for Estate Agents:



9. UK Trade Mark number 2641172 was filed by the Opponent on 4 September 2012 and registered on 15 February 2013. It therefore: (a) constituted an earlier trade mark for the purposes of Section 5(2)(b) under Section 6(1)(a) of the Act; and (b) was not subject to the proof of use requirements in Section 6(A) of the Act (because it was not 5 years old at the date of publication of the Application).

10. The Applicant took issue with the opposition in a Notice of defence and counterstatement dated 2 November 2013. At paragraph 8 of the counterstatement, the Applicant counter-argued amongst other things:

“Keystone IEA Ltd are opposing Keystone Wealth Management Ltd because they believe our trademark looks similar and provides similar services. Keystone Wealth Management Ltd provides mortgage and protection advice as well as financial services which we have explicitly stated for our trademark. Keystone IEA Ltd have only stated Estate Agents as the service they provide on the trademark they submitted. Whilst they do have a sister company (Keystone IMC Ltd) which does provide similar goods and services this has not been trademarked. Keystone IMC Ltd cannot be trademarked by proxy through the trademark of Keystone IEA Ltd due to the different wording on the logo in the same way as our sister company Keystone Independent Financial Consultants Ltd would not be either and would need to be trademarked separately.

In Keystone IEA Ltd’s opposition they have stated that they offer financial services as part of their company but their website does not state these services whilst ours does. They are simply an estate agency which is exactly what they

have trademarked and nothing more. Therefore what they have trademarked (Estate Agents) is not similar to the goods and services that we provide (Mortgage and Protection Advice, Financial Services) ...”

11. No evidence/written submissions were filed in the case and neither party requested an oral hearing.
12. The opposition was decided by the Hearing Officer on the basis of the papers before her.

The Hearing Officer’s interim decision

13. In her interim decision of 10 June 2013 (BL O/270/14), the Hearing Officer decided in brief:

The average consumer

- 1) The average consumer for the services in question included both the general public and business consumers. The purchase act would be visual and oral.
- 2) The average consumer was reasonably well informed and reasonably circumspect and observant. The level of attention paid to the purchase act would vary depending on the nature of the service transaction in hand (e.g., withdrawing a small amount of money from a bank/entering into a mortgage) but, even on the part of an ordinary member of the public, such level of attention would at least be reasonable.

Comparison of services

- 3) The services to be compared were Estate Agents (Opponent) v. Mortgage & Protection Advice, Financial Services (Applicant).

Mortgage & Protection Advice

- 4) Estate agents arranged the selling, management and rental of properties and land (estates). It was not uncommon in the Hearing Officer’s experience for an estate agent to arrange a mortgage on behalf of a buyer and, or to offer advice in respect of related life and buildings insurances.
- 5) The trade channels for estate agency services on the one hand, and mortgage and protection advice services on the other hand, overlapped in that both enabled the public/businesses to raise money for the purchase of land. Life insurance and buildings insurance might be provided by the same lender.
- 6) Further, such services were in competition with one another because the average consumer could seek a mortgage through their estate agent or a third party financial advisor.
- 7) There was a high degree of similarity between estate agency services on the one hand, and mortgage and protection advice services on the other hand.

Financial Services

- 8) Financial services was a wide term the core meaning of which was services in some way related to money. There would be some degree of similarity between the financial services applied for and estate agency services in the earlier trade mark, where they concerned the selling, purchasing or renting of real estate. Mortgages and property related insurances fell within the term financial services.
- 9) On the other hand, there were a number of financial services that were unrelated to estate agency services, e.g., banking, pensions, hedge-fund management where the degree of similarity would be low or non-existent.

Comparison of trade marks

- 10) KEYSTONE was the dominant element in the Opponent's mark. The words INDEPENDENT ESTATE AGENTS in the mark were descriptive and non-distinctive for the registered services, and the broken green line on the black background would be viewed by the average consumer as decorative.
- 11) The red and yellow circular device with reflection in pale grey, was a distinctive and dominant element in the Applicant's mark as was the word KEYSTONE. It was the word KEYSTONE which would be articulated. The words WEALTH MANAGEMENT were descriptive and non-distinctive in the context of the services applied for.
- 12) Visually the degree of similarity in the marks was fairly high, although the circular device in the Applicant's mark would not go unnoticed. Aurally the marks were identical, or if the additional words in each were enunciated¹, highly similar. The conceptual message conveyed by the word KEYSTONE in the marks was the same.

Distinctiveness of the earlier trade mark

- 13) The Opponent's trade mark when considered overall, was possessed of a good level of inherent distinctiveness.

Likelihood of confusion – Mortgage & Protection Advice

- 14) Taking into account the interdependent factors she had found of: (1) the high similarity in the marks; (2) the high similarity between estate agents services on the one hand, and mortgage and protection advice services on the other hand; and (3) the good distinctiveness of the earlier trade mark; and bearing in mind (4) the attributes of the average consumer; and (5) the level of attention paid to the purchase act, the Hearing Officer concluded that there was a likelihood of confusion in the minds of the public between the respective trade marks in relation to the mortgage and protection advice services applied for.
- 15) The opposition under Section 5(2)(b) therefore succeeded in relation to the Applicant's services: Mortgage & Protection Advice.

¹ The Hearing Officer thought this unlikely, and that the marks would be pronounced KEYSTONE in each case.

Revised specification

- 16) As to Financial Services in the Application, the Hearing Officer invited the Applicant to submit in writing to her within 14 days a revised specification that: (a) fell within the ambit of “financial services”; (b) fell within the scope of the Hearing Officer’s interim decision in that the revised services had no similarity to estate agency services; and (c) did not fall foul of the guidance issued by the Court of Justice in Case C-363/99, *POSTKANTOOR* (as to certainty of specifications).

The Hearing Officer’s supplementary decision

14. Since nothing was heard from the Applicant within the time permitted, the Hearing Officer issued a supplementary decision on 31 July 2014, BL O/337/14, allowing the opposition also against Financial Services in Class 36 and refusing the Application in its entirety.
15. The opposition having succeeded, the Hearing Officer ordered the Applicant to pay the Opponent the sum of £500 towards the Opponent’s costs of the opposition.

The appeal

16. On 7 October 2014, the Applicant filed Notice of appeal to the Appointed Person against the Hearing Officer’s decision under Section 76 of the Act.

Grounds

17. The grounds of appeal, in so far as I understood them, were as follows:
- (1) The Opponent Estate Agents did not provide any financial services themselves and were not approved to do so. A separate company Keystone IMC Ltd² provided mortgage and protection advice. That latter company had not registered a trade mark and was not party to the opposition, and its services should not have been considered in the opposition.
 - (2) On the other hand, the Applicant was authorised to provide financial services and had been since 1 June 2010. Keystone IMC Ltd was only authorised to provide a limited range of financial services as from 3 August 2012.
 - (3) It was uncommon for estate agents to provide (or to be authorised to provide) financial services themselves, which would instead be supplied to the buyer through an external relationship with another company either owned by the estate agency or under common ownership³.
 - (4) It was accepted that financial services was a broad term, and that mortgages by their nature were related to property.

² The grounds of opposition identified this company as the Opponent’s sister company.

³ The grounds of appeal gave the example of a well-known estate agent with operatives from a separate company providing mortgage advice within their branches. This evidence was not before the Hearing Officer and I have given it no weight.

- (5) However, it did not follow that an estate agency should have trade mark protection for mortgage advice provided by another company owned by that estate agency.
- (6) Geographically, the Applicant was based in Kingston, Surrey and the Opponent in Ipswich, Suffolk. Both businesses were local and it was unlikely that they would be confused.
- (7) There were over 300 active companies with the name “Keystone” offering all manner of services and products⁴. “Keystone” was common in the English language and could not be claimed by a single undertaking.

Specification

18. The grounds of appeal also contained an unconditional offer on the part of the Applicant to limit its specification to avoid any conflict to:

Class 36

Pensions, Investments, Mortgage & Protection Advice (Excluding Estate Agency)

19. The Applicant said that it had been unable to take up the Hearing Officer’s invitation to put before her such a limitation because the Applicant did not receive the Hearing Officer’s interim decision until 5 September 2014, and only became aware that an interim decision had been issued when the Applicant received the Hearing Officer’s supplementary decision on 31 July 2014.
20. On 4 February 2015, pursuant to Rule 62(1)(a) of the Trade Marks Rules 2008, I requested through the Treasury Solicitor that the Opponent inform me in writing whether it opposed the revised specification being put forward by the Applicant, and if so, to what extent.
21. The Opponent sent a response by email⁵ to the Treasury Solicitor objecting to the proposed amendment in its totality.
22. On my enquiry, the Registrar confirmed that a copy of the interim decision was sent to the Applicant under cover of an explanatory letter dated 16 June 2014 by email, and that this had not been returned to the UK IPO.
23. The hearing of the appeal took place before me on 25 February 2015 at which the Applicant was represented by its Managing Director, Mr. David Carter. The Applicant submitted a skeleton argument on the day of the hearing and a claim for costs. The Opponent was neither represented nor appeared, and made no written submissions.
24. Following the hearing, I allowed the Applicant 1 week within which to submit an intended further revised specification. This the Applicant did within the time limit.

⁴ Again this evidence was not put before the Hearing Officer. In any event, it did not establish that KEYSTONE was non-distinctive for the services in question, instead merely suggesting that “Keystone” might be a popular trade name.

⁵ The response was spread over a series of emails in the period 17 – 18 February 2015.

Standard of review

25. An appeal to the Appointed Person is by way of review and not rehearing, and I should be reluctant to interfere with the Hearing Officer's decision in the absence of a material error of principle on her part (*REEF Trade Mark* [2003] RPC 5, paras. 28 – 29, *BUD Trade Mark* [2003] RPC 25, para. 12, *DALSOUPLE Trade Mark* [2014] EWHC 3963 (Ch), paras. 34 – 35).

Merits of the appeal

26. The following points can be made (in no particular order):
- (1) The UK operates what is essentially a first to file trade marks registration system. Earlier unregistered rights can be relied on to cancel a registered trade mark, but not as a defence to an opposition (*MUDDIES Trade Mark*, O/211/09).
 - (2) A registered proprietor can authorise others (e.g., a sister company) to use its registered trade mark. However, if it is required to amend the representation of the trade mark itself and, or expand the goods or services already registered, then it would be necessary for a fresh trade mark application to be made.
 - (3) The actual uses of the parties are not determinative in an opposition under Section 5(2)(b)⁶. What must be compared for Section 5(2)(b) is *notional* use of the Applicant's trade mark in respect of the services applied for versus *notional* use of the Opponent's earlier trade mark in respect of the services registered (see, e.g., Case T-414/05, *NHL Enterprises BV v. OHIM* [2009] ECR II-0056, para. 71).
 - (4) The scope of protection afforded to an earlier trade mark under Section 5(2)(b) includes refusal of registration of, not only a later similar trade mark for identical services, but also *a later similar trade mark for similar services*.
 - (5) Factors relevant to assessing the similarity of services for the purposes of Section 5(2)(b) include the nature of the services, their intended purpose, their method of use and whether they are in competition with each other or are complementary (Case C-39/97, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc.* [1998] ECR I-5507, para. 23). Other factors may be taken into account such as the distribution channels for the services (Case T-443/05, *El Corte Inglés SA v. OHIM* [2007] ECR II-2579, para.37).
 - (6) The relevant perspective or viewpoint for determining the cumulative conditions of Section 5(2)(b) is that of the notional average consumer.
 - (7) A UK Registered Trade Mark is valid and enforceable throughout the UK. The fact that the Applicant and the Opponent operated in Surrey and Suffolk respectively was not relevant to the opposition under Section 5(2)(b).

⁶ Although actual use may be relevant where (1) proof of use is required in respect of an earlier trade mark (2) enhanced protection is claimed for an earlier trade mark or (3) an applicant seeks to rely on honest concurrent use, none of which was applicable in the present opposition.

27. The essence of the Applicant's complaint appeared to be that the Hearing Officer erred in finding that there was a likelihood of confusion between the respective trade marks, because the parties' services were not the same⁷.
28. However, the question for determination by the Hearing Officer under Section 5(2)(b) was whether because of the *similarities* between on the one hand, the trade marks, and on the other hand, the services in concerned, there existed a likelihood of confusion in the minds of the relevant public.
29. The Hearing Officer determined that the parties' services and their trade marks were highly similar and in her global assessment there was a likelihood of direct confusion.
30. In my judgment that was a conclusion that the Hearing Officer was entitled to reach, and the Applicant failed to establish that she did so in error. To the contrary, in my view, the Applicant's arguments were supportive of her finding that the relevant public would mistakenly believe that services offered under the respective marks originated from the same or a connected undertaking.
31. The appeal therefore failed.

Revised specification

32. The revised specification of services in Class 36 put forward by the Applicant in the statement of grounds of appeal was:

“Pensions, Investments, Mortgage and Protection Advice (Excluding Estate Agency)”

33. It seemed to me that this suffered from the same misconception on the part of the Applicant as its arguments on appeal that for an opposition to succeed under Section 5(2)(b) of the Act, the services in question had to be the same.
34. I therefore agreed to Mr. Carter's oral request unconditionally given to propose in writing a second revised specification within 1 week⁸.
35. The second revised specification of services in Class 36 proposed by the Applicant read as follows:

“Wealth Management, which includes advice on; Investment Bonds, Unit trusts, Investment Trusts, Venture Capital Trusts, Enterprise Investment Schemes, Personal Pensions, Executive Pensions, Group Personal Pensions, Corporate Pension Planning and Auto Enrolment (specifically regulation, employer duties, implementation and outgoing management)”.

⁷ Mr. Carter stated at the hearing that the circle device in the Applicant's mark was sufficient to distinguish it from the Opponent's mark. However, the Hearing Officer did take the circle device in the Applicant's mark into account and in my judgment there was no error in her comparison of the respective trade marks.

⁸ Mr. Carter having seemingly appreciated the proper ambit of Section 5(2)(b), i.e., that it would provide a ground for refusal of registration not only where the goods/services concerned were the same but also similar – assuming of course that the other conditions of Section 5(2)(b) were met.

36. However, “wealth management” is a wide term that, like its predecessor “financial services”, would include mortgage and protection advice and other wealth management services related to property even though not specifically mentioned in the second revised specification.
37. The second revised specification does not therefore comply with the directions of the Hearing Officer set out in her interim decision (see para. 13(16) above) and is equally unacceptable.
38. In my judgment, the Applicant has been afforded ample opportunities to limit its specification of services even if, as maintained, the Applicant not receive the interim decision of the Hearing Officer in due time.

Conclusion

39. In the event:
 - (1) The appeal was unsuccessful.
 - (2) The Applicant failed unconditionally to put forward a revised specification of “financial services” which complied with the directions of the Hearing Officer given in her interim decision dated 10 June 2014, BL O/270/14, paragraph 53.
 - (3) Trade Mark Application number 2655215 stands refused in its entirety.
40. Since the Opponent took no part in the appeal (other than to object to the first proposed revised specification), I will make no order as to the costs of this appeal.

Professor Ruth Annand, 25 March 2015

Mr. David Carter of Keystone Wealth Management Ltd, represented the Appellant/Applicant
The Respondent/Opponent was not represented, and did not attend