

O/238/20

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3335423 BY
LUKAIROS LTD
TO REGISTER:**



AS A TRADE MARK IN CLASS 36

AND

**IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 414645 BY
KAIROS INVESTMENT MANAGEMENT S.P.A.**

Background and pleadings

1) On 1 September 2018 Lukairos Ltd (“the applicant”) applied to register the following trade mark in the UK:



2) It was accepted and published in the Trade Marks Journal on 7 September 2018 in respect of the following services:

Class 36: Insurance services related to climate change

3) On 7 December 2018 Kairos Investment Management S.P.A. (“the opponent”) opposed the trade mark on the basis of ss. 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The s. 5(2)(b) claim is based on the opponent’s earlier UK trade mark registration, pertinent details of which are detailed below:

Mark: KAIROS

UK Registration Number: 2319448

Filing date: 24 December 2002

Publication date: 21 February 2003

Date of entry in register: 6 June 2003

Class 36 services: *Investment and unit trust management services; merchant banking services; advisory services relating to corporate finance; corporate and private banking advisory services; trusteeship; real estate management and advisory services relating thereto; venture capital and project capital investment services; securities brokerage services; financing services for the securing of funds for others for the provision of loans or for the purchase of equities; insurance and mortgage advisory services; financial management; fund investment services; unit trust services; financial,*

investment and valuation services; credit card and debit card services; insurance underwriting.

4) The opponent argues that the respective services are identical or similar and that the marks are similar and so there is a likelihood of confusion.

5) In relation to the s. 5(3) claim the opponent relies on the same earlier UK trade mark registration detailed above, which it claims to have a reputation for the following services:

Investment and unit trust management services; fund investment services; financial and investment services.

6) The opponent argues that the applicant will benefit from the power of attraction, reputation and prestige of the earlier mark. The opponent also claims that the later use will be out of its control and that poor quality or offensive goods will cause detriment to its valuable reputation and business. It claims that use of the later mark will dilute the distinctive character and reputation of its marks. Finally, the opponent claims that there is no due cause for adoption of the opposed mark.

7) The s. 5(4)(a) claim is on the basis of the opponent's alleged earlier rights in the sign KAIROS. It claims to have been providing the services listed below under this sign since 1999 and has acquired goodwill. The opponent claims that use of the trade mark applied for would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

Investment and unit trust management services; merchant banking services; advisory services relating to corporate finance; corporate and private banking advisory services; trusteeship; real estate management and advisory services relating thereto; venture capital and project capital investment services; securities brokerage services; financing services for the securing of funds for others for the provision of loans or for the purchase of equities; insurance and mortgage advisory services; financial management; fund investment services;

unit trust services; financial, investment and valuation services; credit card and debit card services; insurance underwriting.

8) The applicant filed a counterstatement denying the claims made and requesting that the opponent provides proof of use of some of the services relied upon by the earlier trade mark. The services which the applicant requests proof of use are:

Merchant banking services; advisory services relating to corporate finance; corporate advisory services; real estate management and advisory services relating thereto; venture capital and project capital investment services; financing services for the securing of funds for others for the provision of loans or for the purchase of equities; insurance and mortgage advisory services; valuation services; credit card and debit card services; insurance underwriting.

9) The opponent is not required to provide proof of use for the following services:

Investment and unit trust management services; private banking advisory services; securities brokerage services; trusteeship; financial management; fund investment services; unit trust services; financial, investment services.

10) Both sides filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate/necessary. Both sides filed written submissions which will not be summarised but will be referred to as and where appropriate during this decision. No hearing was requested and so this decision is taken following a careful consideration of the papers.

Evidence

Opponent's evidence

Witness statement of Porrello Calogero with exhibits PC1 to PC3

11) Porello Calogero is the opponent's general counsel, he does not state how long he has been in this position.

12) Mr Calogero states that the opponent’s earlier mark was first used in the UK, and elsewhere, since 1999 “in relation to the provision of financial services encompassing asset management services (such as the management of SICAVs, mutual funds, alternative funds and institutional mandates) and private banking services (such as discretionary mandates services and advisory services)”¹. He goes on to state that the opponent “operates in the UK as both a single manager of hedge funds and a multi manager investing in third party hedge fund managers”².

13) Mr Calogero states that the assets under the opponent’s management is around €10billion but does not state what proportion of this is in the UK. In terms of UK turnover Mr Calogero provides the following figures, which are evidence in the independently audited annual accounts filed under exhibit PC1.

Year end (31 December)	Turnover
2018	£18,502,784
2017	£47,348,687
2016	£11,739,812
2015	£11,803,381
2014	£11,031,383

14) He states that the opponent has won numerous awards, all of which he claims to be prestigious in the financial services industry. These include:

- 2018: Extel Awards 2018 (UK): Pan-European Hedge Funds, (Kairos Partners SGR)
- 2018: HFM European Hedge Fund Performance Awards 2018 (UK): European Equity over €500m (Kairos Pegasus Fund Ltd) and Newcomer Equity over \$200m (Kairos International Sicav Pegasus UCITS)

¹ Para. 3

² Para. 5

- 2018: UCITS Hedge Awards 2018 (UK): Long/Short Equity (Kairos International Sicav KEY, Kairos International Sicav Italia, Kairos International Sicav Pegasus UCITS)
- 2017: EuroHedge Awards (UK): Fund of the Year (Kairos Pegasus SA), European Equity – over \$500m (Kairos Pegasus SA)
- 2017: HFM European Hedge Fund Performance Awards 2017 (UK): Winner in Fund of Hedge Funds Management Form of the year over \$5bn (Kairos Investment Management Limited)
- 2017: Hedge Funds Review – European Performance Awards 2017 (UK): Best overall Asset Management Group (Kairos Investment Management Limited)
- 2017: HFM InvestHedge Awards 2017 (UK):

15) Exhibit PC2 to the witness statement consists of extracts detailing the awards referred to above. In relation to the HFM European Hedge Fund Performance Award in 2018 it is noted that the companies “Kairos Pegasus Fund S.A. and Kairos International Sicav” are both “...managed by Kairos Investment Management Limited, the London office of the Kairos Group which specialises in hedge and multi-manager management”.

16) In order to demonstrate the “reputation, prestige, success and distinctiveness of the Earlier Mark in the UK” Mr Calogero submits various press articles from “The Hedgefund Journal” dated February 2013, July 2013, April 2015 and July/August 2016, the HedgeFunds Review dated September 2015 plus online articles from the following websites:

- investmenteurope.net dated 3 November 2014
- hedgefundintelligence.com dated 27 November 2014
- Lombard Mensile dated March 2015

17) All of the articles refer to Kairos or Kairos partners. It is also noted the EuroHedge articles dated April 2015 is a “Firm Profile” for Kairos and describes its activities as “asset management (single manager and multi manager; long/short and

long-only; European and Italian equities, fixed-income); wealth management". It also states that the company was established in 1999 with assets under management being circa. \$7.5 billion with offices in London, New York, Milan, Lugano, Rome and Turin.

Applicant's evidence

Witness statement of MA. Hernany Veytia P with exhibits HV1 - HV30

18) Ms Veytia is the founder and co-director of the applicant. She states that the application was first used in the UK in 2018 by a research project conducted under the auspices of the European Space Agency. She states that the mark has been used in relation to insurance services related to climate change since 2018.

19) Ms Veytia submits 30 exhibits with her witness statement. The vast majority of these are to support submissions made against arguments raised by the opponent and are not relevant. Rather than list the numerous exhibits here, most of which are irrelevant, I shall refer to and describe them in the appropriate part of my decision.

Witness statement of Ms, Barbara Negri

20) Ms Negri is a shareholder and co-director of the applicant. Ms Negri states that the application, the subject of the opposition, has been used for the applied for services under the auspices by the applicant of the European Space Agency. She then details the extent of the applicant's use of the mark which is not a factor that I am required to take into account.

21) Ms Negri also details the discussions held between the parties prior to the commencement of these opposition proceeding which, again, is not something that I need to take into account when deciding this opposition.

Opponent's submissions in reply

22) The opponent filed written submissions in reply to the evidence filed by the applicant. I have read the submissions and shall take them into consideration where necessary, but I shall not summarise them here.

Proof of use

23) I must firstly deal with the issue of whether, or to what extent, the opponent has shown genuine use of its earlier mark. The relevant statutory provisions are as follows:

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a),
(b) or (ba) in relation to which the conditions set out in section 5(1), (2)
or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed
before the start of the period of five years ending with the date of
publication.

(2) In opposition proceedings, the registrar shall not refuse to register the
trade mark by reason of the earlier trade mark unless the use conditions are
met.

(3) The use conditions are met if -

(a) within the period of five years ending with the date of publication of
the application the earlier trade mark has been put to genuine use in

the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Union.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

24) S. 100 of the Act states that:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

25) In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft ‘Feldmarschall Radetsky’* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

- (1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].
- (2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].
- (3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees,

additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

- (4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].
- (5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].
- (6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-

[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

26) Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the UK, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant 5-year period. In making the required assessment I am required to consider all relevant factors, including:

- i) The scale and frequency of the use shown
- ii) The nature of the use shown
- iii) The goods and services for which use has been shown
- iv) The nature of those goods/services and the market(s) for them
- iv) The geographical extent of the use shown

Relevant period

27) The relevant period for proof of use is the five-year period ending on the date of publication of the application in the UK, namely 8 September 2013 to 7 September 2018.

Variant use?

28) The earlier relied upon mark is KAIROS and there are numerous examples of it throughout the evidence. Further, there are examples of use of KAIROS with other elements, for example, “Pegasus”, “International Sicav”, “Partners” and “Investment Management Limited”, which I consider to be acceptable variants³. Therefore, there is no question relating to the form in which the mark has been used.

Sufficient use?

29) Proven use of a mark which fails to establish *that “the commercial exploitation of the mark is real”* because the use would not be *“viewed as warranted in the economic sector concerned to maintain or create a share in the [European Union] for the goods or services protected by the mark”* is therefore not genuine use.

30) An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself.⁴

31) As indicated in the case law cited above, use does not need to be quantitatively significant to be genuine. The assessment must take into account a number of factors in order to ascertain whether there has been real commercial exploitation of the mark which can be regarded as *“warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark”*.

32) The opponent’s evidence includes turnover figures in the millions (ranging between £11m to £18m) and undisputed statements that it manages assets of around €10billion. Further, the opponent has provided evidence of use of the mark in journals and that it has won numerous awards. Taking all of these factors into

³ See principles detailing variant use in Mr Richard Arnold Q.C. (as he then was) sitting as the Appointed Person in *Nirvana Trade Mark*, BL O/262/06 and the CJEU in *Colloseum Holdings AG v Levi Strauss & Co.*, Case C-12/12

⁴ *New Yorker SHK Jeans GmbH & Co KG v OHIM* T-415/09

account, there is no doubt in my mind that the opponent has genuinely used its mark.

Fair specification

33) I must now consider whether, or the extent to which, the evidence shows use for all or only some of the relied upon services. In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs Q.C. as the Appointed Person summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

34) In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows.

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46."

35) I begin by reminding myself that the services which the opponent must demonstrate genuine use are:

Merchant banking services; advisory services relating to corporate finance; corporate advisory services; real estate management and advisory services relating thereto; venture capital and project capital investment services; financing services for the securing of funds for others for the provision of loans or for the purchase of equities; insurance and mortgage advisory services; valuation services; credit card and debit card services; insurance underwriting.

36) There is no evidence relating to real estate, credit card and debit card services or insurance underwriting services. Mr Calogero describes the services provided under the mark as asset management services which, he states, involves management of SICAVs, mutual funds, alternative funds and institutional mandates) and private banking services (such as discretionary mandates services and advisory services). The opponent has won numerous awards for its performance in the hedge fund sector managing billions of dollars on behalf of its clients. Hedge funds services are companies or individuals who manage and make financial investment decisions on behalf of their clients. It is, in essence, a financial service and is covered by the services which the opponent is not required to provide proof of use. Accordingly, I find that the opponent may rely upon the services which it is not required to demonstrate use:

Investment and unit trust management services; private banking advisory services; securities brokerage services; trusteeship; financial management; fund investment services; unit trust services; financial, investment services.

DECISION

S. 5(2)(b)

37) The relevant section 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

38) The respective services are as follows:

Applicant's services	Opponent's earlier services
<i>Insurance services related to climate change</i>	<i>Investment and unit trust management services; private banking advisory services; securities brokerage services; trusteeship; financial management; fund investment services; unit trust services; financial, investment services.</i>

39) In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, the General Court stated that:

“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 trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

40) I take the applicant's insurance services which relate to climate change to be those seeking insurance relating to climatic changes, i.e. floods, landslides, rising sea levels, heat waves, and other irregular weather patterns.

41) The earlier services include financial services at large. In the opponent's evidence in reply it refers to me to the High Court judgment of *Fil Investment Services Limited v Fidelis Underwriting Limited* – [2018] EWHC 1097 (Pat) (11 May 2018) whereby it was found that “insurance services are within the core of the ordinary meaning of “financial services””⁵.

⁵ Para 89 of the judgment

42) For the reasons set out in that judgment, and applying the *Meric* principle, I find that the services are identical. For the avoidance of doubt although the applicant's services are limited to climate change, this does not alter the outcome.

Comparison of marks

43) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) 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 Court of Justice of the European Union 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.”

44) 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.

45) The respective trade marks are shown below:

Earlier mark	Opposed mark
KAIROS	

46) The earlier mark consists of one word, namely KAIROS. Since this is the only element its overall impression rests in this word only.

47) The opposed mark consists of a device and word. The device is triangular with each side made up of 2 lines all being different shades of blue. The device is above the word TELEKAIROS. In my view the word is marginally more dominant in the overall impression since it is wider than the device and the eye is naturally more drawn towards words than images.

48) Both parties make numerous submissions in respect of “TELE” which is present in the application but not the earlier mark. The applicant submits definitions from the Oxford English Dictionary⁶ which defines “TELE” as being either, 1) slander, calumny, evil-seeking, blame, reproof, reproach, 2) psychic affinity or connection posited to exist between two or more people separated by time or space, 3) tele = television, 4) a telephoto lens or camera, or a telecaster guitar. The opponent submits that the word “TELE” is defined in the online Cambridge dictionary as being “over a long distance, done by phone, or on of [sic] for television”. It also states that TELE is a “generic prefix...which is a commonplace and ordinary prefix in the English language used to denote that goods or services are provided at a distance (such as in the term “televoting”).”⁷ The opponent’s definition is the same as my understanding and most likely to be the interpretation of the average consumer.

49) The applicant also argues that “TELE” forms part of the opposed mark and it cannot be artificially dissected. It states that:

“The invented word TELEKAIROS cannot be divided in the same way that television is not vision, telescope is not scope and telegram is not a gram. Divide TELEKAIROS, would be as divide the word Kairos in K-AIR-OS or any other combination.”

⁶ Exhibit HV8

⁷ Para. 4 statement of case

I am mindful not to artificially dissect the marks. However, when assessing whether any visual, aural or conceptual similarities exist and part of a conjoined word would naturally be split by consumers, I must recognise this and assess the marks on that basis. I believe that to be the case here. Consumers would separate TELE from KAIROS since, as the opponent argues, TELE is a recognisable prefix. In light of the above, I shall now assess whether, and to what extent, there are visual, aural and/or conceptual similarities.

50) Visually, the opponent highlights that the opposed mark incorporates the earlier mark in its entirety. This is clearly correct. However, the opposed mark also begins with “TELE” and includes a device, which are not present in the earlier mark. In view of this, I find that the marks are visually similar to a degree below medium but not low.

51) Aurally, I agree with the opponent that the only element of the opposed mark which would be articulated is TELEKAIROS and not the device. I also agree that the KAIROS element would also be pronounced in the same way. However, it also argues that the relevant public will pay more attention to the word KAIROS since TELE is descriptive. Although I have concluded that TELE and KAIROS are likely to be separated in the average consumer’s mind, I do not accept that TELE would not be articulated. Therefore, I find that from an aural comparison perspective, TELE would be pronounced which renders the aural similarity to being medium.

52) Conceptually, the opponent argues that the respective marks are identical. It claims that the applicant agrees with this claim since both understand the meaning of the word KAIROS to be an ancient Greek word. I do not accept this to be the applicant conceding that they are conceptually identical. The applicant has consistently argued⁸ that I must not artificially dissect the mark, i.e. separate TELE from KAIROS. Further, the applicant submits⁹ the Oxford English dictionary for KAIROS as being “fullness of time; the propitious moment for the performance of an action or the coming into being of a new state” and the Merriam-Webster dictionary

⁸ Section B-3 of the counterstatement and written submissions of 19 November 2019

⁹ Applicant’s counterstatement

defines it as “a time when conditions are right for the accomplishment of a crucial action: the opportune and decisive moment.”

53) For a conceptual message to be relevant, it must be capable of immediate grasp by the average consumer¹⁰. Whilst I accept that the word KAIROS is an English dictionary defined word, the question is whether the average consumer of the relevant services would recognise and immediately grasp the meaning. There appears to various dictionary defined meanings. Moreover, I have no evidence on whether the average consumer would know and understand the word. Whilst I acknowledge I am not the average consumer of the services in question, I am not familiar with KAIROS, and am unwilling to accept that they would be either. Taking all of this into account, I find that the marks are not conceptually similar.

Average consumer and the purchasing act

54) 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.

55) 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.”

¹⁰ see Case C-361/04 P *Ruiz-Picasso and Others v OHIM* [2006] ECR I-00643; [2006] E.T.M.R. 29

56) The respective services are not identical and so I must assess the average consumer for each. The applicant's services are likely to be sought by members of the general public and businesses, all of whom are looking to seek insurance against climate change, for example heightened flood risk. They will involve conducting searches for the insurance, most likely on websites, brochures or magazines. Therefore, they will be purchased following a visual inspection of the services. They may also be sought through brokers and so aural recommendations also play a part.

57) With regard to the earlier financial management services, which I found to be similar to the applied for services, these are most likely to be sought by businesses and also, but to a lesser degree, wealthy individuals. They too will be purchased following visual internet searches though I certainly do not discount aural recommendations from brokers.

58) All of the services in question will be a considered purchase, since one would want insurance from a reputable insurer so that any claim would be honoured. Further, in relation to financial management, consumers are naturally more careful when looking to invest their money, whether that is an individual or business. Accordingly, I find that there is an above average degree of care and attention paid when purchasing the services in question and they will predominantly be sought following a visual inspection, though aural recommendations are not discounted. These findings are consistent with the cases the opponent has referred me to in its submissions in reply.

Distinctive character of the earlier trade mark

59) 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).”

60) The earlier mark consists of the word KAIROS which is broadly defined as the right, critical or opportune moment. However, I have already found it unlikely that the average consumer will recognise and understand its dictionary definition. Therefore, it is inherently distinctive to an above medium degree but not high.

61) The opponent specifically claims¹¹ that the distinctive character of its earlier mark has been enhanced through the use that has been made of it in the UK¹². The evidence demonstrates that it has been using its mark since 1999 and won numerous awards in the financial sector and it has provided turnover figures which range from £47m in 2017 to £18.5m in 2018 and just under £12m for the years 2014, 2015 and 2016. It also states that it manages assets of around €10billion. The opponent has not put these figures into any real context and so I am unable to determine what market share is held or how significant or not these figures are in the overall context of the market. Further, the press articles submitted are not put into context and so I am unable to determine the scope of advertising or exposure that the mark has had.

¹¹ Witness statement of Mr Calogero

¹² Para. 10 of Mr Calogero’s witness statement

62) In the applicant's evidence¹³ it submits a report from the market research company IPE Reference Hub headed "UK asset manager tables 2018". The applicant points out that the opponent is not listed in the table and so the opponent's use is not enhanced or has reputation. The applicant also submits¹⁴ an IPE table of the top 400 Asset Mangers (not UK specific) which lists the opponent as number 338 out of 400. It is noted, however, that its headquarters are listed as Italy and no entry is made in relation to the UK. The applicant therefore also relies upon this to argue that the distinctive character of the earlier mark has not been enhanced through use made of it.

63) Taking all of the above into account, I am not satisfied that the opponent has demonstrated that it has sufficiently used its mark for it to become more distinctive to a degree higher than what I have found it inherently to be. Therefore, it may only rely upon its inherent distinctive character.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion

64) There is no scientific formula to apply in determining whether there is a likelihood of confusion. It is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. It is necessary for me to keep in mind the distinctive character of the opponent's marks, the average consumer and the nature of the purchasing process for the contested goods. In doing so, I must be aware that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them that he has retained in his mind.

65) I begin by summarising my findings so far. I have found the respective marks to be visually similar to a degree below medium but not low and aurally similar to a medium degree. Conceptually, I have found that there is no conceptual similarity.

¹³ Exhibit HV19-B

¹⁴ Exhibit HV19

66) The services will be sought following a visual inspection of websites, brochures or journals though I do not discount aural similarity. The services will be sought by members of the public and businesses, who will pay an above average degree of care and attention. I have also found that the earlier mark has a medium to high degree of inherent distinctive character. Finally, I have found that the respective services are identical.

67) Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. I have no hesitation that there is no likelihood of direct confusion. The inclusion of the device together with the letters TELE prior to the shared element KAIROS are too significant to go unnoticed. However, the position is different in respect of indirect confusion.

68) Indirect confusion is where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods and services down to the responsible undertakings being the same or related. Indirect confusion was considered by Mr Iain Purvis Q.C., as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, whereby he explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a

conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ("26 RED TESCO" would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as "LITE", "EXPRESS", "WORLDWIDE", "MINI" etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ("FAT FACE" to "BRAT FACE" for example)."

69) In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

70) The applicant has consistently stated that I should not artificially dissect the marks and it is true that the case law states that this should not be case. However, as I have already found, the average consumer will separate the conjoined word in the application into TELE and KAIROS. The opponent's main argument is that KAIROS is the dominant and distinctive element which is preceded by the commonly used descriptive prefix TELE. I acknowledge the large device present in the application, but I consider this to be offset by the services being identical and conclude that there is a likelihood of indirect confusion. In my view this case falls squarely into category (b) of Mr Purvis's *L.A. Sugar* non-exhaustive list. The introduction of the prefix TELE to the word KARIOIS would indicate that the services are now provided at a distance, e.g. using some form of telecommunication, such as the telephone or internet. This would be a natural brand extension, especially for

identical services, which the average consumer would believe to originate from the same, or economically linked, undertakings.

Conclusion

71) The opposition based on s. 5(2)(b) succeeds.

SECTION 5(3)

72) I shall now turn to the opponent's s. 5(3) claim. The relevant section of the Act states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

73) The conditions of s. 5(3) are cumulative:

- 1) The opponent must show that the earlier mark has a reputation.
- 2) The level of reputation and the similarities between the marks must be such as to cause the public to make a link between the marks.
- 3) One or more of three types of damage (unfair advantage, detriment to distinctive character or repute) will occur.

74) It is not necessary for the goods to be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

75) The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-*

Salomon, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark’s reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark’s ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel*, paragraphs 76 and 77.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

REPUTATION

76) The first hurdle is reputation. The opponent claims that it has a reputation for the mark KAIROS for *investment and unit trust management services; fund investment services; financial and investment services*. In determining whether the opponent has the requisite reputation for the aforementioned services, I take into account the guidance set out in *General Motors, Case C-375/97*, whereby the CJEU gave the following guidance on assessing reputation, stating:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”

77) It is important that I firstly identify the relevant public for which the reputation is claimed¹⁵ plus the economic and geographic scope of the market. This is so I have the relevant context to determine whether the earlier mark is known by a significant proportion of the relevant public for the goods claimed. The services in question are, *inter alia*, financial, investment, fund and unit trust management. Since the earlier mark is a UK registration, the relevant territory is the United Kingdom. Whilst no evidence has been provided, it is clear that the size of the UK market for such services would be vast.

78) The opponent states that the total of its assets under management is around €10billion, but as I have previously identified it does not state what proportion of this is in the UK. The opponent has also stated that its UK turnover is consistently over

¹⁵ *Iron & Smith*, EU:C:2015:195, paragraph 17

£11m per annum, except for 2017 when it reached £47m. As listed in paragraph 14, the opponent has either won or been nominated for numerous awards which all appear to relate to hedge fund services. The marketing material provided, for example, journals, also refer to hedge funds.

79) In the opponent's submissions¹⁶ it argues that due to its "substantial duration" of use, i.e. since 1999, and the awards it has received, it is known by a significant part of the relevant public. In *Enterprise Holdings Inc. v Europcar Group UK Ltd*,¹⁷ Arnold J. stated that proving a reputation "is not a particularly onerous requirement." However, the evidence before Arnold J. in that case showed that the claimant was in fact the market leading car hire company in the UK with a 30% share of the UK market. It was in that context that the judge said that proving a reputation "is not a particularly onerous requirement." He had no reason to turn his mind to situations where the claimant had only a small and/or unquantified share of the relevant market.

80) In the present case, I do not have any evidence relating to the market share and so I can not establish what size of the market the opponent occupies. By itself, this does not prevent me from finding that the earlier mark has a reputation. In *Farmeco AE Dermokallyntika v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) (BOTUMAX)*, Case T-131/09, the GC at paragraph 59 states:

"That finding [of reputation] is not called into question by the applicant's argument that the turnover figures for sales and the amount spent on promoting the goods covered by the earlier marks, which are referred to in the opposing party's observations of 5 September 2005, have not been proved. It should be pointed out that the absence of figures is not, in itself, capable of calling into question the finding as to reputation. First, the list of factors to be taken into consideration in order to ascertain the reputation of an earlier mark only serve as examples, as all the relevant evidence in the case must be taken into consideration and, second, the other detailed and verifiable evidence produced by the opposing party is already sufficient in itself to prove

¹⁶ Dated 15 May 2019

¹⁷ [2015] EWHC 17 (Ch)

the reputation of its mark for the purposes of Article 8(5) of Regulation No 40/94 (see, to that effect, judgment of 10 May 2007 in Case T-47/06 *Antartica v OHIM - Nasdaq Stock Market (nasdaq)*, not published in the ECR, paragraph 52).”

Further, I also do not know the scope of the advertising, the circulation figures for the publications referred to (which the applicant claims to be “very limited”¹⁸) and the notoriety of the awards. I also take into account the applicant’s evidence that the IPE Reference Hub headed “UK asset manager tables 2018” did not include the opponent.

81) The case law has made it clear that reputation constitutes a knowledge threshold.¹⁹ Taking all of the above into account I find that the opponent does not have the requisite reputation. However, in case I am found to be wrong, I shall continue to consider whether there is a link based on the opponent having a reputation in respect of hedge fund services. I am satisfied that if any reputation does exist then it does not go beyond these services.

The Link

82) As I have noted above, my assessment of whether the public will make the required mental ‘link’ between the marks must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

83) I have found the respective marks to be visually similar to a degree below medium but not low and aurally similar to a medium degree. Conceptually, I have found that there is no conceptual similarity.

¹⁸ Witness statement of Ms Veytia and exhibit HV29

¹⁹ See for example para 69 of judgment of Judge Hacon in *Burgerista Operations GmbH v Burgista Bros Limited* Case No: IP-2015-000175 [2018] EWHC 35 (IPEC)

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

84) The services for which I have found the opponent to have a reputation is hedge fund services. The application is for insurance services related to climate change. The nature of these services differs since one is based on making money on behalf of others whereas insurance services relating to climate change are those looking to insure one's goods, or the services they provide, against climatic change. I am conscious that I have previously found financial services to be identical to insurance services per se, however hedge fund services are specific and niche. I have no evidence on this point, but I would not expect the same companies to be providing the respective services. The users would also differ. I consider them to be dissimilar.

The strength of the earlier mark's reputation

85) If a reputation does exist if is, at best, above low but not medium.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

86) The earlier mark is inherently distinctive to a degree above medium but not high. It has not been enhanced by virtue of the use made of the mark. Even if I am wrong about the reputation of the earlier mark I do not consider this would lead me conclude that has become more distinctive through the use made of it.

Whether there is a likelihood of confusion

87) Since similarity between goods or services is a prerequisite for finding a likelihood of confusion, and in this instance, there is none, there can be no likelihood of confusion.

88) I recognise that a lesser degree of similarity between the marks than that required for a likelihood of confusion may be sufficient for a relevant section of the

public to make a connection between the marks.²⁰ That is, to make a link between them. However, taking into account the opponent's limited reputation (if any), the dissimilarity between the services and the marks not being any more than similar to a medium degree, I find that the relevant public will not make the requisite link. For those consumers who are familiar with the opponent's reputation (if one does exist), they will be familiar with the KAIROS hedge fund services, but should they encounter the application I consider there to be, at its very best, a fleeting image transfer to the later mark. This would not be sufficient to lead to any of the heads of damages being successful.

89) The opposition under s. 5(3) is unsuccessful.

SECTION 5(4)(a)

90) I now turn to the s. 5(4)(a) claim. The claim is based on the opponent's alleged earlier rights in a business operating under the sign KAIROS. It claims to have been providing the following services under the sign since 1999:

Investment and unit trust management services; merchant banking services; advisory services relating to corporate finance; corporate and private banking advisory services; trusteeship; real estate management and advisory services relating thereto; venture capital and project capital investment services; securities brokerage services; financing services for the securing of funds for others for the provision of loans or for the purchase of equities; insurance and mortgage advisory services; financial management; fund investment services; unit trust services; financial, investment and valuation services; credit card and debit card services; insurance underwriting.

91) S. 5(4)(a) of the Act states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

²⁰ *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

92) In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

93) Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances."

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have

acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

Relevant date

94) Since the applicant has not filed any evidence to support that it has used its mark, the date at which I must assess the s. 5(4)(a) claim is the date of the UK application,²¹ i.e. 1 September 2018.

Goodwill

95) In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 the House of Lords defined goodwill as:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

96) As previously detailed in the enhanced distinctiveness and reputation claims the opponent has provided turnover which are in the millions and has received a number of awards. For these reasons I am satisfied that the opponent has demonstrated it has goodwill in the sign KAIROS for hedge fund services. I am willing to accept that the opponent has a reasonable goodwill for such services.

Misrepresentation

97) In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

²¹ *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person

“There is no dispute as to what the correct legal principle is. As stated by *Lord Oliver of Aylmerton in Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] *R.P.C.* 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 *R.P.C.* 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 *R.P.C.* 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis* ” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

98) In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. Kitchen L.J. concluded:

“... if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement.”

99) Although this was an infringement case, the principles apply equally under 5(2): see *Soulcycle Inc v Matalan Ltd*, [2017] EWHC 496 (Ch). In *Marks and Spencer PLC v Interflora*, [2012] EWCA (Civ) 1501, Lewinson L.J. had previously cast doubt on whether the test for misrepresentation for passing off purposes came to the same thing as the test for a likelihood of confusion under trade mark law. He pointed out that it is sufficient for passing off purposes that “a substantial number” of the relevant public are deceived, which might not mean that the average consumer is confused. However, in the light of the Court of Appeal’s later judgment in *Comic Enterprises*, it seems doubtful whether the difference between the legal tests will (all other factors being equal) produce different outcomes. This is because they are both normative tests intended to exclude the particularly careless or careful, rather than quantitative assessments.

100) I have already found that there is a likelihood of confusion between the applied for mark and the opponent’s earlier KAIROS sign. However, this was on the basis of the opponent being able to rely upon its financial services at large being identical to the applied for services. The position is not the same in respect of the opponent’s passing off claim since I have found that it has goodwill for hedge fund services. I have already found hedge fund services to be dissimilar to the applied for services when I considered the opponent’s s. 5(3) claim. Such considerations have relevance under s. 5(4)(a), but they do not prevent a misrepresentation (and damage). In *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet L.J. made the following findings about the lack of a requirement for the parties to operate in a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression “common field of activity” was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff’s claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch.

282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego case Falconer J.* acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

‘...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego case Falconer J.* likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

'even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.'

In the same case Stephenson L.J. said at page 547:

'...in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged "passer off" seeks and gets no benefit from using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.' "

101) The opponent has goodwill in the hedge fund sector and the application is for insurance in the relating to climate change. As I have already stated, the financial sector includes insurance per se, but in this instance they are both very specific areas, and this is what led me to conclude that they are not similar. However, I must

consider whether there is, or could be, an association, between the field of activity of the opponent and the field of activity of the applicant. I also have to bear in mind that wondering if there is a connection between the businesses is not enough. There must be an assumption for misrepresentation to occur amongst a substantial number of the opponent's customers (or potential customers)²². It is also the opponent's customers who must be deceived, not the applicant's. Given the nature of the services in question they are likely to pay a relatively high degree of care and attention when purchasing the services. Therefore, there is a lesser likelihood of deception.

102) Whilst I accept that there may be certain overlap in the common field of activity insofar that they are financial and insurance services, I am in no doubt that when taking into account the remaining factors (i.e. the degree of (dis)similarity between the signs, the high degree of care and attention, the distinctiveness of the sign and degree of goodwill), I do not accept that a substantial number of customers will be, or are likely to be, deceived.

103) Without misrepresentation there can be no damage and so the s. 5(4)(a) claim is dismissed.

104) In view of the above the s. 5(4)(a) claim fails.

OVERALL OUTCOME

105) The opposition has succeeded under section 5(2)(b). The application, subject to appeal, will be refused.

COSTS

106) The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £1400 as a contribution towards the cost of the proceedings. The award takes into account that the

²² *Phones 4U Ltd v Phone 4U.co.uk Internet Ltd* [2007] RPC 5

opposition was successful in respect of s.5(2)(b) but none the remaining grounds of attack. The sum is calculated as follows:

Official fee	£200
Preparing a statement of case and considering a counterstatement	£400
Preparing evidence and considering and commenting on the other side's evidence	£600
Written submissions	£200
Total	£1400

107) I therefore order Lukairos Ltd to pay Kairos Investment Management S.P.A. the sum of £1400. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 16th day of April 2020

MARK KING
For the Registrar
The Comptroller-General