

O-115-17

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3142647
BY M.W. CORNISH SERVICES LIMITED
TO REGISTER THE TRADE MARK**

SkyBleu

**IN CLASS 36
AND
IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 406220
BY CKL HOLDINGS N.V.**

BACKGROUND

1. On 2 January 2016 M.W. Cornish Services Limited (the applicant) applied to register the mark shown on the cover page of this decision. Following an amendment, which had the effect of reducing the coverage of services from that originally filed, registration is sought in respect of *Fund investment services and advisory services in relation thereto* in class 36. The amendment was accepted on behalf of the Registrar¹.

2. The application was published for opposition purposes on 15 January 2016 and a notice of opposition was filed against it by CKL Holdings N.V. (the opponent). The opposition is brought on grounds under section 5(2)(b) of the Trade Marks Act (the Act) and it is directed against all of services in the application. The opponent relies upon its UK trade mark application number 3154068 for the mark Blue which was filed on 10 March 2016 and claims a priority date of 26 October 2015 on the basis of Benelux trade mark application number 1319687. A certified copy of the priority document was subsequently filed which substantiated this claim. The opponent relies upon all of the services in its application, namely:

Class 36: Financing services; management of investment funds; investment of funds; financial management and planning.

3. The applicant filed a counterstatement denying the grounds of opposition.

4. Only the opponent filed written submissions during the evidence rounds. Neither party asked to be heard nor did they file written submissions in lieu of attendance at the hearing.

DECISION

5. Section 5(2)(b) of the Act reads:

¹ The amendment was requested after the filing of the Notice of Opposition and the opponent confirmed that it did not wish to withdraw the opposition.

“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.”

6. At the time of writing the right relied upon by the opponent is still a pending application. Section 6(1) of the Act is therefore relevant. It reads:

“6.-(1) In this Act an “earlier trade mark” means –

(a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

(b)

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

7. It follows that UK application number 3154068 is an earlier mark by virtue of the priority claimed and can be relied upon in these proceedings.

Section 5(2)(b) - case-law

8. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case

C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

- (a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;
- (b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;
- (d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;
- (e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;
- (f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;
- (g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

- (h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;
- (i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;
- (j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;
- (k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of services

9. Some of the contested services, i.e. *fund investment services*, are identical to the services on which the opposition is based, i.e. *investment of funds*. For reasons of procedural economy, I will not undertake a full comparison of the services listed above. If the opposition fails, even where the services are identical, it follows that the opposition will also fail where the services are only similar.

The average consumer and the nature of the purchasing act

10. 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*. 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.”

11. In relation to the average consumer the applicant states in its counterstatement:

“The average consumer [of *fund investment services and advisory services in relation thereto*] comprises professionals and members of the public who will pay a high level of attention to the purchase act. Fund investment is an important financial decision for any investor who will be looking for a trusted provider with a good and successful track record offering the type of investments that are of interest to the consumer.”

12. The opponent replies as follows (reproduced as written):

“The fact that a service may target specialists of a particular industry does not necessarily mean that the relevant degree of attention is high. For example, if the relevant goods or services are used by a given professional on a daily basis, the level of attention paid may be average or even low. Experts in the financial field will frequently consult with companies offering *advisory services in relation to fund investment* and, therefore, their level of attention in this will regard will not be higher than average.”

13. The average consumer of the services at issue include both experienced investors and members of the general public investing savings. I agree with the applicant that the nature of the services is such that there is likely to be a careful and educated decision in making a purchase, owing to the importance of ensuring that one’s money is safe and has a good level of return. This suggests that consumers are likely to pay an above average degree of attention in the selection of the service provider. The services will be selected primarily by visual means such as signage on

premises, websites, journal advertisement, reports and marketing material. However, I do not discount aural considerations in the form, for example, of word of mouth recommendations and use over the phone.

Comparison of marks

14. 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 them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

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

16. The marks to be compared are:

Blue v SkyBleu

17. The opponent’s mark consists of the common dictionary word “Blue” presented in a standard typeface and in title case. The word “Blue” is so well known as a colour to require no further explanation. There are no other elements and the distinctiveness of the mark lies in the word itself.

18. The applicant's mark consists of the single word "SkyBleu" with the letters S and B capitalised and the other letters in lower case. The mix of upper and lower case lettering provides a natural break and the two components "Sky" and "Bleu" are readily identifiable. The opponent submits that the dominant element of the mark is the word "Bleu" and that the word "Sky" is secondary, however, it did not state the reasons why it reached this conclusion. The applicant submits that the word "Sky" is the dominant element because it is placed at the beginning of the mark and because the component "Bleu" is non-distinctive or that, in the alternative, both elements equally contribute to the overall impression of the mark. The applicant also states in its counterstatement:

"The component "Bleu" does not retain an independent distinctive role within the mark. It is qualified by the prefix "Sky" to form a unit having different meanings for the average consumer as explored in connection with the conceptual aspect below".

19. The mark is presented as a compound word and, I agree with the applicant, the two components, i.e. "Sky" and "Bleu", form a unit (and the opponent does not state otherwise). Neither of these components has any direct reference to the relevant services and there is no difference in their presentation; further, apart from its positioning at the beginning of the mark, the component "Sky" has no greater prominence. Considered overall, the impression of the mark is not materially dominated by either of its components and its distinctiveness rests in the combination of "Sky" and "Bleu" and in the manner in which these components are conjoined.

20. The opponent submits that the UK average consumer will understand "Bleu" to mean "Blue" and will perceive the mark as meaning a lighter tone of blue. Although "SkyBleu" is a compound word, it is not a word having a particular meaning in its own right. It is a combination of the words "Sky" and "Bleu" which is how, I believe, the consumer is likely to see the mark. The word "Sky" is an English word with which the average consumer will be very familiar. The word "Bleu" is a French word meaning blue and I accept that the average consumer is likely to recognise it as a reference to the colour blue, either because of his/her knowledge of the French language or

because it resembles the word blue. However, bearing in mind my assessment of the purchasing process, the average consumer and the degree of care and attention which is expected to be used, I am not persuaded by the opponent's argument that "Bleu" will be misread as "Blue". As to the overall significance of "SkyBleu" to the private or professional investor in the context of fund investment services, I will say more about it below.

Visual similarity

21. Visually, the first two letters of the earlier mark are contained in the fourth and fifth letter position of the applied for mark. Whilst the last two letters, i.e. ue, coincide, their order is inverted. The presence of the word "Sky" at the beginning of the applied for mark means that the marks have different lengths and composition and the visual similarity is also affected by the words being conjoined rather than separated. Overall, I consider that the respective marks are similar to a low degree.

Aural similarity

22. Phonetically, the earlier mark will be pronounced as one syllable, i.e. BLU. The applied for mark will be articulated as two syllables. The opponent submits that the emphasis on "SkyBleu" falls on "Bleu" because the component "Sky" is secondary and it is shorter than "Bleu". I do not agree. There is no question that the word "Sky" in the applied for mark will be audibly enunciated and not diminished in speech. Further, it seems to me, the stress would fall on "Sky", as this is the first syllable. The opponent also states that the component "Bleu" will be pronounced according to the phonetic rules of the English language and that it is likely that the UK public will pronounce it in the same manner as they would pronounce "blue". As the word "Bleu" is not an English word, some consumers might not know how to pronounce it and might articulate it according to the English pronunciation, i.e. SKY-BLU, in which case there would be a medium degree of aural similarity. Were the word "Bleu" to be pronounced as BLEUGH, there would be a low degree of aural similarity.

Conceptual similarity

23. The opponent states that there is a high degree of conceptual similarity because “the Sky element of the [applied for] mark does not significantly alter its meaning” and “it simply means a slightly lighter tone of colour”.

24. The applicant states that, in the context of investment fund services, the professional and sophisticated investor will see “SkyBleu” as a reference to the US “Blue Sky” process, which is described as a “regulatory process of notifications and registrations to be undergone in connection with public offering and private placements” or that, in the alternative, “SkyBleu” might be understood as denoting “free thinking, a specific shade of colour and/or something French”. The opponent replies that the UK average consumer would not be aware of the US “Blue Sky” process and that, insofar as the reference to free thinking is concerned, the correct expression is “blue sky” and the mark is not evocative of that meaning. Whilst I agree with the opponent on the point, I think there is some force in the applicant’s submission that the impression and significance of its mark is not obvious. I approach the matter on the basis that the conjoining of the words creates a single word; that that single word should not be construed as if it were simply two words; that although the average consumer might approximate “Bleu” to “Blue” (on the basis that it is a spelling variation of the word blue or its equivalent in French) it will not mistake (or wrongly recollect) “Bleu” as “Blue”.

25. Conceptually I take the view that although “SkyBleu” will be perceived as a unit, it has no obvious meaning as a totality even though the average consumer would be aware of the meaning of its components. Because the respective marks contains the words “Bleu” and “Blue” they will create some similarity of idea; however, the additional concepts introduced by the words “Sky” and “Bleu”, which are absent in the earlier mark, means that the conceptual similarity is not higher than medium.

Distinctive character of the earlier trade mark

26. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*²⁶, the Court of Justice of the European Union (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).”

27. The opponent has not provided any evidence of use; consequently I have only the inherent characteristics of the earlier mark to consider. The applicant submits that the earlier mark is low in distinctiveness because it consists of a “single primary colour”. The present case is not concerned with the registrability or otherwise of the earlier mark and the mark must be assumed to have a degree of distinctiveness². The mark does not directly describe the services at issue and I consider that, in the context of the relevant services, it has an average degree of distinctive character.

Likelihood of confusion

28 In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser

² *Formula One Licensing BV v OHIM*, Case C-196/11P

degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective services and vice versa. I must also keep in mind the average consumer for the services, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has retained in his mind.

29. There are two types of relevant confusion to consider: direct confusion (where one mark is mistaken for the other) and indirect confusion (where the respective similarities lead the consumer to believe that the respective goods and/or services come from the same or a related trade source). This distinction was summed up by Mr Iain Purvis Q.C. sitting as the Appointed Person in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

“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).”

30. The opponent states:

“...if an opposing trade mark has identical or highly similar goods or services, the similarity of the trade marks has to be defined in a considerably wider sense and even has to be accepted if the public could be inclined to think that the goods or products concerned are produced by the same company or an affiliated company”.

31. This is not the correct approach. The fact that goods and services are found to be identical, does not necessarily mean that there is likelihood of confusion if the marks are not sufficiently close.

32. Earlier in this decision I found that the marks are visually similar only to a low degree, aurally similar to, at best, a medium degree and conceptually similar to a medium degree. The purchasing process is primarily a visual one and the degree of attention deployed during the selection will be higher than average, which means that the effects of imperfect recollection are diminished. Having considered all the relevant factors, I have no hesitation in concluding that, even in respect of services which are identical, consumers will not confuse the marks directly. **There is no likelihood of direct confusion.**

33. Insofar as indirect confusion is concerned, although the opponent’s submissions seem more consistent with a plea of indirect confusion, it is not explained how this is

made out. In this connection, the applicant refers me to decision *BL O-2019-16*, where Mr James Mellor, sitting the Appointed Person, stated:

“...Third, when making a finding of a likelihood of indirect confusion, in my view it is necessary to be specific as to the mental process involved on the part of the average consumer. Whilst the categories of case where indirect confusion may be found is not closed, Mr Purvis’ three categories are distinct, each reflecting a slightly different thought process on the part of the average consumer.”

34. The opponent contends that the marks are similar because they bring to mind the idea of the colour blue and of a lighter shade of blue respectively. Even if I were to accept the argument that the mark “SkyBleu” would (immediately) strike the average consumer as a shade of colour (which I do not), the competing marks are word marks, not colour marks. The critical question is not, therefore, whether the average consumer would confuse shades of light blue and blue being used as an indication of origin in relation to identical services, but whether the words in the respective marks are sufficiently close to cause confusion as to the origin of the services. The opponent’s conclusion suggests that the average consumer might take “SkyBleu” as an extension of the brand “Blue”. In this connection, I found that the average consumer is unlikely to misread (or mistake) the word “Bleu” as “Blue” which means that the feature in common is not, effectively, identical. This, in itself, does not necessarily mean that there is no likelihood of confusion, however, it somehow diminishes the risk of confusion which would otherwise exist if the common element was identical and the distinctiveness of the earlier mark had been increased through use³. The opponent’s own argument that “SkyBleu” would be perceived, as a whole, as a shade of blue does not assist it any further. If anything, that argument, supports the applicant’s case. This is because the conclusion that “SkyBleu” will be understood as a shade of blue implies, in itself, that the mark will be perceived as a unit and that the two elements qualify each other; this accords with the applicant’s claim (with which I agree), that the element “Bleu” in “SkyBleu” does not have an independent distinctive role. That being the case, I cannot see why “Bleu” in

³ Decision *BL-O-144-05* paragraph 37

“SkyBleu” should be seen as the identification of the commercial source of the services. Further, the element “Sky” in the applied for mark is distinctive in relation to the concerned services but, in the words of Mr Ian Purvis in *BL-O- 016-10*, “a brand extension would not normally bring a new and [distinctive] word as the first element of a composite mark⁴”. **There is no likelihood of indirect confusion.**

CONCLUSION

35. The opposition has failed.

Costs

36. As the applicant has been successful, he is entitled to a contribution towards its costs. Awards of costs are governed by Tribunal Practice Notice (TPN) 4 of 2007. Accordingly, I award costs to the applicant on the following basis:

Preparing a statement and considering the other side’s statement:	£200
Considering written submissions:	£100
Total:	£300

37. I order CKL Holdings N.V. to pay M.W. Cornish Services Limited the sum of **£300** as a contribution towards its costs. This sum is to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case, if any appeal against this decision is unsuccessful.

Dated this 14th day of March 2017

Teresa Perks
For the Registrar
The Comptroller – General

⁴ Paragraph 25 (d)