

O-427-17

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 3129521 BY  
FIFTH DIMENSION DIGITAL LIMITED

TO REGISTER A SERIES OF THREE TRADE MARKS:

KERV



KERV

IN CLASS 36

AND

THE OPPOSITION THERETO UNDER NO 405829

BY

CURVE 1 LIMITED

## BACKGROUND

1. On 1 October 2015, Fifth Dimension Digital Limited (the applicant) applied to register the above trade mark. The specification stands as follows:<sup>1</sup>

### **Class 36**

Banking, credit card services, debit card services, cash card service, electronic funds transfer, electronic payment services, financial analysis, financial services, electronic check, credit card, smart card and debit card services, debit card, credit card, and electronic payment transaction processing services, mobile debit card, credit card, and electronic payment transaction processing services, wireless debit card, credit card, and electronic payment transaction processing services, payment administration services, payment processing services, remote payment services, card verification services.

2. The application was published on 16 October 2015, following which Curve 1 Limited (the opponent) filed notice of opposition against all of the services in the application.

3. The opponent bases its case on section 5(2)(b)<sup>2</sup> of the Trade Marks Act 1994 (the Act) and relies upon the following trade mark and services:

<b>Mark details and relevant dates</b>	<b>Services relied upon</b>
UK TM: 3113482  <b>Curve</b>  Filed: 16 June 2015 Registered: 11 December 2015	<b>Class 36</b> Credit and cash card services; Bank card, credit card, debit card and electronic payment card services; Credit card validation services; Cash replacement rendered by credit card; Credit card protection and registry services; Credit card transaction processing services; Credit card verification; Electronic wallet services (payment services); Processing payments made by charge cards; Processing of payments for banks; Processing of payments in relation to charge cards; Processing of payments in relation to credit cards; Financial management of reimbursement payments for others; Electronic wallet services (payment services); Credit card validation services;

<sup>1</sup> *International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).*

<sup>2</sup> *The opponent initially relied upon sections 5(3), 5(4) and 3(6) in addition but these grounds were subsequently withdrawn.*

	<p>Credit card transaction processing services; Credit card verification; Debit card validation services; Bank card, credit card, debit card and electronic payment card services; Payment administration services; Payment processing; Remote payment services; Credit card payment processing; Electronic wallet services (payment services); Payment and receipt of money as agents; Payment transaction card services; Credit card and payment card services; none of the aforesaid services being branded or promoted in respect of sports, physical fitness or gymnasium based activities.</p>
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4. The opponent states that the parties' respective services in class 36 are identical and that the stylisation of the applicant's mark will not alter the average consumer's perceptions and is therefore irrelevant for the purposes of legal comparison. It states:

*"9. For the purposes of legal comparison, the average consumer will focus on the conceptual element 'CURVE'. The simple misspelling gives rise to a high degree of visual similarity and phonetic and conceptual identity between the Application Mark and the CURVE Trade Mark."*

5. The opponent states that its CURVE mark has been used in the UK in relation to the goods and services in its specification and as a result benefits from enhanced distinctive character.

6. The applicant filed a counterstatement in which it denies the ground on which the opposition is based.

7. The opponent filed evidence and submissions. Both parties filed skeleton arguments. A hearing subsequently took place before me, by video conference, at which the applicant was represented by Mr David Ivison of Counsel, instructed by Briffa & Co. The opponent was represented by Mr Phillip Johnson of Counsel, instructed by Locke Lord (UK) LLP.

## **EVIDENCE**

8. The opponent's evidence is provided by the witness statement of Mr Shachar Bialick and exhibits SB1-SB11. I do not intend to summarise the evidence here but will refer to it as necessary throughout this decision.

## **DECISION**

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

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

(a)...

(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, or there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

10. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

"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.

(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."

## Preliminary issues

11. The applicant states at paragraph 6 of its counterstatement:

*“All the available evidence presented to the UK Intellectual Property Office (including those included in this submission) point to the earlier right of the Applicant in ‘KERV’ which for completeness predates the Opponent’s rights in ‘CURVE’.”*

12. A claim such as this, which appears to indicate that the applicant has earlier rights than those of the opponent, is discussed in Tribunal Practice Notice (TPN) 4/2009 which is titled *“Trade mark opposition and invalidation proceedings – defences”* and is the relevant TPN applicable to these proceedings. The following is stated under the heading *“The position with regard to defences based on use of the trade mark under attack which precedes the date of use or registration of the attacker’s mark”*:

*“4. The viability of such a defence was considered by Ms Anna Carboni, sitting as the appointed person, in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09. Ms Carboni rejected the defence as being wrong in law.*

*5. Users of the Intellectual Property Office are therefore reminded that defences to section 5(1) or (2) grounds based on the applicant for registration/registered proprietor owning another mark which is earlier still compared to the attacker’s mark, or having used the trade mark before the attacker used or registered its mark, are wrong in law. If the owner of the mark under attack has an earlier mark or right which could be used to oppose or invalidate the trade mark relied upon by the attacker, and the applicant for registration/registered proprietor wishes to invoke that earlier mark/right, the proper course is to oppose or apply to invalidate the attacker’s mark.”*

13. Clearly, that is the case here. If the applicant had wished to assert its claimed earlier use of its mark the correct course of action would have been to oppose (at the

appropriate time) or seek to invalidate the opponent's mark based on those claimed rights. Consequently, I will say no more on this point.

14. The second point I need to address before turning to the merits of this opposition is the concept of 'notional use'. In paragraph 7 of its counterstatement, the applicant claims that the technology used in its 'contactless payment ring' is extremely novel while the technology used by the opponent has existed 'for many years'. At paragraphs 10 and 11 of the same document the applicant is keen to stress that its product takes the form of a ring and so the average consumer will bear aesthetics in mind when making a selection.

15. Until a trade mark has been registered for five years (at which point the proof of use requirements (set out above) in s.6A of the Act kick in), it is entitled to protection in relation to all the goods/services for which it is registered. Consequently, the opponent's earlier UK mark must be protected for the services for which it is registered in classes 9, 16, 35 and 36 without the opponent needing to prove any use of its mark in relation to those services. The opponent's earlier mark is therefore entitled to protection against a likelihood of confusion with the applicant's mark based on the 'notional' use of the earlier mark for all the goods and services listed in the register. The concept of notional use was explained by Laddie J. in *Compass Publishing BV v Compass Logistics Ltd*<sup>3</sup> as follows:

"22. ...It must be borne in mind that the provisions in the legislation relating to infringement are not simply reflective of what is happening in the market. It is possible to register a mark which is not being used. Infringement in such a case must involve considering notional use of the registered mark. In such a case there can be no confusion in practice, yet it is possible for there to be a finding of infringement. Similarly, even when the proprietor of a registered mark uses it, he may well not use it throughout the whole width of the registration or he may use it on a scale which is very small compared with the sector of trade in which the mark is registered and the alleged infringer's use may be very limited also. In the former situation, the court

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<sup>3</sup> [2004] RPC 41

must consider notional use extended to the full width of the classification of goods or services. In the latter it must consider notional use on a scale where direct competition between the proprietor and the alleged infringer could take place.”

16. So far as the applicant’s use of its mark is concerned, in *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*<sup>4</sup>, the Court of Justice of the European Union (“CJEU”) stated at paragraph 66 of its judgment that when assessing the likelihood of confusion in the context of registering a new trade mark it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered.

17. Furthermore, in *Devinlec Développement Innovation Leclerc SA v OHIM*,<sup>5</sup> the CJEU stated that:

“59. As regards the fact that the particular circumstances in which the goods in question were marketed were not taken into account, the Court of First Instance was fully entitled to hold that, since these may vary in time and depending on the wishes of the proprietors of the opposing marks, it is inappropriate to take those circumstances into account in the prospective analysis of the likelihood of confusion between those marks.”

18. In other words, the way in which the applicant is actually using its trade mark at this point is not a factor which is relevant to the decision. Rather I must consider all normal and fair uses of the applicant’s mark which is applied for in respect of financial services in class 36.

19. Throughout this decision I will refer to the applicant’s mark as ‘KERV’ by which I mean to include all three marks in the series applied for.

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<sup>4</sup> Case C-533/06

<sup>5</sup> Case C-171/06P

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

20. 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 great degree of similarity between the marks, and vice versa;

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

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

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

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

## Comparison of services

21. The services to be compared are as follows:

<b>The opponent's services:</b>	<b>The applicant's services:</b>
<b>Class 36</b> Credit and cash card services; Bank card, credit card, debit card and electronic payment card services; Credit card validation services; Cash replacement rendered by credit card; Credit card protection and registry services; Credit card transaction processing services; Credit card	<b>Class 36</b> Banking, credit card services, debit card services, cash card service, electronic funds transfer, electronic payment services, financial analysis, financial services, electronic check, credit card, smart card and debit card services, debit card, credit card, and electronic payment

<p>verification; Electronic wallet services (payment services); Processing payments made by charge cards; Processing of payments for banks; Processing of payments in relation to charge cards; Processing of payments in relation to credit cards; Financial management of reimbursement payments for others; Electronic wallet services (payment services); Credit card validation services; Credit card transaction processing services; Credit card verification; Debit card validation services; Bank card, credit card, debit card and electronic payment card services; Payment administration services; Payment processing; Remote payment services; Credit card payment processing; Electronic wallet services (payment services); Payment and receipt of money as agents; Payment transaction card services; Credit card and payment card services; none of the aforesaid services being branded or promoted in respect of sports, physical fitness or gymnasium based activities.</p>	<p>transaction processing services, mobile debit card, credit card, and electronic payment transaction processing services, wireless debit card, credit card, and electronic payment transaction processing services, payment administration services, payment processing services, remote payment services, card verification services.</p>
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22. In *Gérard Meric v Office for Harmonisation in the Internal Market*,<sup>6</sup> the General Court stated that:

“29. ...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 für 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”.

23. For the purposes of considering the issue of similarity of goods and services, it is permissible to consider groups of terms collectively where they are sufficiently comparable to be assessed in essentially the same way and for the same reasons.<sup>7</sup>

<sup>6</sup> *Case T- 133/05*

<sup>7</sup> *see Separode Trade Mark BL O/399/10 and BVBA Management, Training en Consultancy v. Benelux-Merkenbureau* [2007] *ETMR* 35 at paragraphs [30] to [38].

24. In its skeleton argument the opponent submits that the services covered by the two marks are identical:

*“4...In summary, all the services particularised in each specification relate to the management and making of card payments (including virtual cards) and related business.”*

25. At the hearing Mr Ivison, for the applicant, accepted that the parties' respective services in class 36 are identical or highly similar.

26. Credit card services, debit card services, cash card service, payment administration services, payment processing services and remote payment services are contained in both specifications and are identical terms.

27. Electronic funds transfer, electronic payment services, card verification services, electronic check, credit card, smart card and debit card services, debit card, credit card, and electronic payment transaction processing services, mobile debit card, credit card, and electronic payment transaction processing services, wireless debit card, credit card, and electronic payment transaction processing services are all included within the opponent's term 'payment processing' and 'credit card and payment card services' and are identical according to the decision in *Meric*.

28. The services for 'financial analysis' in the application will be an integral part of a number of the services in the opponent's specification, including, but not limited to, 'credit and cash card services' and 'bank card, credit card, debit card and electronic payment card services'. For example, in order to offer such services financial information will have to be considered to arrive at interest rates, payment terms, APR rates, and so on, which are often tailored to an individual based on credit history. Accordingly, I find these services to be identical to those in the earlier mark's specification.

29. With regard to the remaining broad terms, 'banking' and 'financial services', in the application, I agree with the submissions of Mr Johnson for the opponent that these would include all of the services in class 36 of the opponent's specification. They are therefore identical in accordance with *Meric*.

30. In conclusion, all of the applicant's services in class 36 of its specification are identical to the services listed in the opponent's class 36 specification.

### **The average consumer and the nature of the purchasing act**

31. In accordance with the above cited case law, I must determine who the average consumer is for the services at issue and also identify the manner in which they will be selected in the course of trade.

32. 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*,<sup>8</sup> 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 word 'average' denotes that the person is typical. The term 'average' does not denote some form of numerical mean, mode or median."

33. The applicant states:

*"...it is proposed that the average consumer for financial services/technological goods will be an adult member of the public. As contactless payment technology becomes more complex (touch technology on the iPhone by way of example), the average consumer will pay a high degree of attention when selecting their goods/services as they will be sought to serve (a) a specific function; (b) an aesthetic purpose; and (c) may vary in price depending on the functionality of the goods/services."*

34. The opponent states in its skeleton argument:

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<sup>8</sup> [2014] EWHC 439 (Ch)


*“12. The average consumer for the services in question would include three different groups. First, the largest group would be adult members of the general public who would use payment services (e.g. the holder of a credit card); secondly, the retailer who accepts payment from such a consumer; and thirdly financial institutions who pay to or receive money from the payment services. The third group would be sophisticated and be cautious about engaging the services, but the first and second would not as the payment service might be presented to them in a retailer for the first time and be compatible with their existing credit or debit card.”*

35. The parties' specifications cover a range of financial services that can be aimed at an ordinary member of the public and/or to a more specialised commercial customer or financial institution. There is a degree of overlap in the sense that a commercial consumer will still use, for example, a personal credit card or banking service. In the case of a consumer seeking, for example, a payment system to use for their business this will involve a fairly high level of attention and consideration prior to the purchasing act. In contrast a customer who simply wishes to withdraw money from a cash machine or make a credit card payment will be a member of the general public who will pay a much lower level of attention to the transaction. That said, the purchasing act for all of the respective services will be at least well considered as the average consumer, whether an individual or a commercial undertaking, will take note of, inter alia, charges, interest rates, price comparisons and accessibility of services, before entering into the purchasing act.

36. In all cases the purchase may be made visually from a website, brochure, prospectus, etc., or aurally such as in their local branch of a bank, over the telephone or via a broker, financial advisor or other intermediary.

## Comparison of marks

37. The marks to be compared are as follows:

The opponent's mark	The applicant's mark
<p>Curve</p>	<p>KERV</p>  <p>KERV</p>

38. In making a comparison between the marks, I must consider the respective marks' visual, aural and conceptual similarities with reference to the overall impressions created by them, bearing in mind their distinctive and dominant components,<sup>9</sup> but without engaging in an artificial dissection of the marks, because the average consumer normally perceives a mark as a whole and does not analyse its details.

39. The opponent's mark is the word 'Curve', presented with a capital letter 'C' at the beginning of the mark with the remaining letters shown in lower case. There is no stylisation applied to the mark and the overall impression rests in its totality.

40. The applicant's series of three marks are each for the four letters KERV. In each mark the letters are presented in a stylised typeface, which does not prevent the words from being easily identified. In the first mark the letters are presented in black, in the

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<sup>9</sup> *Sabel v Puma AG, para.23*

second they are white on a black rectangular background and in the third they are presented in blue. The black rectangular background will be given no origin significance by the average consumer, simply being seen as a background. In each case the overall impression of the mark rests in the letters and their presentation.

## **Visual comparison**

41. The opponent states:

*“14. In relation to visual similarity:*

*(1) while the first two letters in both marks are different there are two consecutive letters in common ‘RV’;*

*(2) the figurative nature of the Applicant’s Mark is little more than a typeface and so does little to create distinctions between the marks.”*

42. The applicant states:

*“17. There are, it is submitted, two components within this sign which contribute to its distinctive character: first, the word KERV itself and second, the typeface in which the word is presented...”*

*18. The word ‘KERV’ is not an ordinary English word. It comprises 4 letters, ending with an unusual ‘RV’ suffix. We submit that it is a unique and inherently distinctive word, which will require a measure of interpretation on the part of consumers and which will be memorable as a result.*

*19. The typeface in which the word KERV is presented is itself distinctive. The ‘K’ and ‘R’ elements have a pronounced gap in a position where the elements of those letters are usually joined. The letter ‘K’ is shaped unusually, as is the letter ‘E’.*

*20. Consumers will immediately perceive and will remember these unusual features of the word and the way in which it is presented.*

*21. In comparison, the Opponent's Mark, CURVE, is visually less distinctive and less memorable. The word 'CURVE' is an ordinary English word and will be perceived as such by the average consumer. There are no unusual or eye-catching visual features present within the Opponent's Mark."*

43. The opponent's mark is the normal English word 'Curve' consisting of five letters. The applicant's mark is the four letters KERV. The only consecutive letters in common are the 'RV' elements of both marks. I note that the applicant claims the RV in its mark is an 'unusual suffix'. I disagree. The letters RV are simply the last two letters in the mark. The presentation of the application is sufficient to be noticed by the average consumer, but is not the dominant element in the mark. Taking all of these factors into account I find there is a very low level of visual similarity between the parties' marks.

### **Aural comparison**

44. The opponent states:

*"15. In relation to aural similarity:*

*(1) KERV would be spoken in exactly the same way as CURVE;*

*(2) The element 'KER' would be spoken in the same [way] as in words like KERB (and CURB), KERNEL, KEROSENE (and KERCHEIF as in handkerchief);*

*(3) After the 'KER' element is spoken, the V element would sound exactly the same as 'VE' (effectively, if not technically, the E in curve is silent)..."*

45. In its counterstatement the applicant indicated that differences in dialect, (particularly the Northern Ireland dialect) would result in a difference in the way the parties' respective marks were pronounced. This point does not appear to be carried through to its skeleton argument, in which it confirmed that the fact that the marks are aurally similar was not contested but submitted that any similarities were outweighed by visual and conceptual differences. In any case, no evidence has been provided in support of this point to show that the services at issue are being directed to a particular region and that I should place any particular emphasis on the average consumer being



based in a particular locale. I will proceed on the basis that the average consumer is an average UK consumer.

46. Both parties' marks will be pronounced as the common English word 'CURVE'. They are aurally identical.

### **Conceptual similarity**

47. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.<sup>10</sup> The assessment must be made from the point of view of the average consumer who cannot be assumed to know the meaning of everything.<sup>11</sup>

48. The opponent states:

*"17. In relation to conceptual similarity:*

*(1) While KERV is not a proper word, once it is spoken or read to oneself it would lead the reader to read it in a phonetic way, namely as curve;*

*(2) The Applicant states that the word KERV (as a variant of curve) has no dictionary definition (Counterstatement, paragraph 26), this is the incorrect test. The average consumer would attribute its concept based on how it sounds;*

*(3) Both marks, therefore, have exactly the same concept that of a non-straight (curved) line."*

49. The applicant states:

*"23. The Application does not immediately convey a meaning; it is an invented word. The consumer is required to engage in a measure of interpretation before he or she can extract any meaning from it at all.*

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<sup>10</sup> This is highlighted in numerous judgments of the GC and the CJEU including *Ruiz Picasso v OHIM* [2006] e.c.r.-I-643; [2006] E.T.M.R. 29.

<sup>11</sup> BL O-048-08

24. *On the other hand, the meaning conveyed by the word 'CURVE' is obvious and requires no further thought or conceptual connection on the part of the average consumer."*

50. In my view the average consumer will be familiar with the word 'Curve' and will know its meaning, i.e. a non-straight line or surface.

51. When encountering the applicant's mark some average consumers will see KERV as an invented word and will go no further in conceptualising it. For these consumers the parties' marks are conceptually different. For others it will be seen as an alternative spelling of the word 'Curve' and as such, will give a conceptual picture which is the same as that provided by the opponent's mark and the conceptual message will be identical.

### **Distinctive character of the earlier mark**

52. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods and services for which it has been used as coming from a particular undertaking and thus to distinguish those goods and services from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger*.<sup>12</sup>

53. It is clear from the evidence that the opponent has raised funding for its product<sup>13</sup> and has generated some press interest<sup>14</sup> but the opponent has failed to show any indication of turnover, marketing, sales actually made to consumers or any indication of its market share. The examples provided of the mark in use<sup>15</sup> and the packaging of the product<sup>16</sup> do not show the mark at issue in these proceedings. At the time of writing his witness statement, on 14 June 2016, Mr Bialick states that the opponent has over 6000 users. It is not clear if these are UK users but even if they were UK

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<sup>12</sup> *Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.*

<sup>13</sup> *See exhibit SB5*

<sup>14</sup> *See Exhibit SB6*

<sup>15</sup> *See exhibit SB4*

<sup>16</sup> *See exhibit SB7*

users who have been exposed to the opponent's earlier mark, I imagine that in a market the size of the financial technology sector, this is not a particularly significant share of that market. In short, the evidence provided by the opponent falls a long way short of enabling me to consider its claim to an enhanced distinctive character due to the use made of its earlier trade mark.

54. Turning to the inherent distinctiveness of the mark, the word 'Curve' is a normal English word. It does not describe or allude to the services at issue in class 36 and as such is a normal trade mark possessed of a medium degree of inherent distinctive character.

### **Likelihood of confusion**

55. In assessing the likelihood of confusion, I must adopt the global approach advocated by case law and take into account the fact that marks are rarely recalled perfectly, the consumer relying instead on the imperfect picture of them he has kept in his mind.<sup>17</sup> I must also keep in mind the average consumer for the services, the nature of the purchasing process and have regard to 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 services and vice versa.

56. The parties' services are identical. I have found that the average consumer may be a member of the general public, a commercial customer or a financial institution. I have concluded that the level of attention paid to the purchase will be well considered, i.e. above average, as the average consumer, whether an individual or a commercial undertaking, will take note of, inter alia, charges, interest rates, price comparisons and accessibility of services. The purchase may be made visually or aurally.

57. The respective marks are visually similar to a very low degree and aurally identical. Where the average consumer conceptualises the sound made by the applicant's KERV mark, the parties' marks will be conceptually identical. For those consumers who stop at the letters and their presentation and do not go on to conceptualise the

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<sup>17</sup> *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27

applicant's mark, it will be considered to be an invented word, resulting in conceptual difference between them.

58. I bear in mind the CJEU decision in *Lloyd Schuhfabrik Meyer*<sup>18</sup> in which it stated:

*“28. ...the answer to the questions referred to the Court must be that it is possible that mere aural similarity between trade marks may create a likelihood of confusion within the meaning of Article 5(1)(b) of the Directive. The more similar the goods or services covered and the more distinctive the earlier mark, the greater will be the likelihood of confusion.”*

59. However, it would be false to assume that every instance of aural identity between conflicting signs would give rise to an automatic finding of a likelihood of confusion.<sup>19</sup> The global assessment must be made having due regard to all of the relevant factors including, but not limited to, the nature of the services and the way in which they are purchased.

60. The applicant relies on paragraphs 63 and 64 of *Eckes-Granini Group v OHIM*<sup>20</sup> submitting that *“...a high degree of aural similarity may be countervailed by visual and/or conceptual differences sufficient to prevent any likelihood of confusion, and in our submission that is the case here”*. It concludes that this case shows, *“the inherent quality of the goods/services and the context in which they are sold is of key importance”*. This case concerned beverages and the court held that the phonetic similarity would be of lesser importance as the goods would be purchased from a shop or, if bought in a bar or restaurant, the purchaser would be able to inspect the bottle before it was served.

61. The applicant also relies on *Rübenzahl Schokoladen GmbH v Sunrise International Co. Pty. Ltd.*<sup>21</sup> which concerned an appeal from a registry decision in

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<sup>18</sup> [1999] ECR I-3819

<sup>19</sup> See *Matratzen Concord v OHIM – Hukla Germany (MATRATZEN)* [2002] ECR II-4335, paragraph 31.

<sup>20</sup> T-487/12

<sup>21</sup> [2009] EWHC 1825 (Ch)

relation to the marks SUN RISE and SUN RICE. The relevant part of paragraph 19 reads:

“...there was no evidence - or it seems little submission – to contradict the impression which [the hearing officer] formed, no doubt discounting the aural concerns expressed by the witness by reference to the fact that in, one imagines, the vast majority of cases, these products would not be purchased by aural request, but would be picked up at supermarkets or, as the Appellant’s own witness put it, ‘in general foodstores’.”

62. The applicant concludes that the key comparison to be made in this case is the visual one as consumers will not be able to make a purchasing decision *‘without seeing the marks on a screen or a piece of paper’*.

63. The opponent submits that the factors to take into account with regard to the nature of the purchase are as follows:

*“(1) the payment decision by consumers in retailers is made very quickly (particularly in the age of contactless payments) and may be almost instinctive;*

*(2) recommendations for a payment system are largely going to be made by word of mouth;*

*(3) method of payment requests would usually be made orally (e.g. Do you take credit cards? Can I pay by cheque? Do you accept CURVE?).”*

64. The opponent has filed evidence of actual confusion referred to in paragraphs 26-31 of Mr Bialick’s witness statement. These are itemised in its skeleton argument as follows:

“(1) Email from Ross Musgrove (Exhibit SB8, p 1 and 2) indicating he believed the Opponent won an award (which was actually won by the Applicant);

(2) Email from Perry Blacher (Exhibit SB8, p 5) where he stated that he believed David Hunter was the chair (of the Board of Directors) of the Opponent (where in fact he is the chair of the Applicant);

(3) Email from Simon Hardie (Exhibit SB8, p 6) where he believed the Opponent had won a global customer event (when in fact it was won by the Applicant);

(4) A Tweet from Rudolf Linsebarth at an industry Conference (Exhibit 5B8, p7) who refers to payment rings (not yet offered by the Opponent) yet tweeted the Curve page.”

65. Mr Johnson, for the opponent, submits that since the evidence has not been challenged by the applicant the tribunal must accept the evidence as true under the rule in *Browne v Dunn*.<sup>22</sup> Further guidance on the weight to be given to these instances of confusion can be found in *Kerly's Law of Trade Marks and Trade Names*, the relevant paragraphs of which are as follows:

“Paragraph 14-087:

Where the use of the offending sign results in actual confusion then this is likely to be very persuasive but there is no requirement to prove confusion in fact: what needs to be established is a likelihood of confusion.

Paragraph 21-015

Proof of actual deception, if the mark is in the opinion of the tribunal likely to deceive, is unnecessary. Nevertheless, if one or more cases of actual deception are made out to the satisfaction of the court, this will, of course, afford very strong evidence that the resemblance between the marks in question is so close as to be likely to deceive. However, the deception proved must be of the kind relevant to infringement or passing off; mere

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<sup>22</sup> (1894) 6 R 67

administrative confusion such as misdirected post and other types of administrative inconvenience will not assist”.

66. Mr Johnson concludes:

*“21. As the evidence of these four witnesses is unchallenged, they should be treated as ‘made out to the satisfaction of the court’ and so be treated as ‘very strong evidence’ that there is confusing similarity.”*

67. In making a finding in this case I have paid careful attention to the nature of the market at issue as well as all of the relevant factors already identified in the case law above, not least, the areas of similarity and difference between the parties’ competing marks. Having weighed up all of the competing factors and considering both marks in their totalities, I conclude that there is a likelihood of direct confusion despite the very low level of visual similarity between the marks. This is because the nature of the purchase is not wholly visual. A consumer seeking these services, having had a ‘curve’ card recommended to them, is likely to believe they have found the correct product whether they find the opponent’s mark or the applicant’s, and is unlikely to look further. I find some support for this view in the opponent’s evidence of actual confusion, which has not been challenged by the applicant. Whilst this has not arisen as part of a purchasing process, it does show instances of aural confusion made by ‘experts’ in this field, who, as I have identified above, make up a proportion of the notional average consumers for the purposes of this comparison. In my view the likelihood of confusion is no lower for average consumers who are members of the general public.

## **CONCLUSION**

68. The opposition succeeds under section 5(2)(b) of the Act in respect of all of the services in class 36.

## **COSTS**

69. The opposition having been successful, the opponent is entitled to a contribution towards its costs. At the hearing Mr Ivison, for the applicant, reminded me that in May

2017 the opponent had reduced the number of grounds relied to a single 5(2)(b) ground. Following the reduction of the number of grounds to the single 5(2)(b) ground that was the basis of this opposition, the applicant elected not to file an amended counterstatement and had not filed evidence. The limitation had already been made before either side prepared for the hearing. The applicant has not requested costs above the usual scale nor requested time to file a breakdown of costs incurred. I award costs on the following basis:<sup>23</sup>

Official fees:	£100 <sup>24</sup>
Preparing the notice of opposition and considering the other side's counterstatement:	£300
Filing evidence:	£600
Preparing for and attending a hearing:	£900
Total:	£1900

70. I order Fifth Dimension Digital Limited to pay Curve 1 Limited the sum of £1900. 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 12<sup>th</sup> day of September 2017**

**Ms AI Skilton**  
**For the Registrar,**  
**The Comptroller-General**

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<sup>23</sup> *In accordance with the scale at Annex A of Tribunal Practice Notice 4/2007.*

<sup>24</sup> *The opposition was made on the basis of a number of grounds which were subsequently withdrawn. Official fees are awarded for the remaining 5(2)(b) ground only.*