

O/560/21

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3446853  
BY KOTO CARD LIMITED  
TO REGISTER THE TRADE MARK:

koto

IN CLASSES 35 AND 36

AND

IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 419772  
BY BETR TECHNOLOGY LTD

## Background and Pleadings

1. On 25 November 2019 (“the relevant date”) Koto Card Limited (“the applicant”) applied to register the trade mark shown on the cover page of this decision. The application was published for opposition purposes on 13 December 2019 in respect of the following services:

**Class 35:** *Provision of information relating to tax; provision of statements of account; data processing services; management of customer loyalty, incentive or promotional schemes; organisation, operation and supervision of customer loyalty schemes; loyalty card services; the bringing together, for the benefit of others, of a variety of services, namely credit card services, insurance services, investment services, loans and credit services, financial services, payment services, currency conversion services, purchasing services, collection services enabling customers to view and purchase those services; price comparison services; information, consultancy and advisory services in connection with all of the aforesaid.*

**Class 36:** *Financial services; loan and credit services; hire purchase and lease purchase finance; charge card and credit card services; debit card services; cash card services; debt collection and debt factoring services; instalment loan financing, electronic funds transfer and cash dispensing services; issuing statements of accounts; savings and insurance services; debt management services; bill payment services; Insurance, financial affairs, monetary affairs, banking (including home banking), financial services (including prepaid card services) provided by the Internet, issuing of tokens of value in relation to bonus and loyalty schemes, provision of financial information; Financial and monetary services; investment services; banking services; merchant banking; international banking; electronic banking; private banking; online banking; provision of banking services via a website; electronic banking services; electronic banking via a global computer network [internet banking]; financial banking services for the deposit of money; financial banking services for the withdrawal of money; banking services provided for paying bills by telephone and online; automated banking services relating to charge card transactions;*

*automated banking services relating to credit card transactions; banking services relating to the transfer of funds from accounts; banking services in relation to the electronic transfer of funds; information services relating to finance, provided online from a computer database or the internet; electronic payment services; electronic funds transfers; electronic debit transactions; electronic cash transactions; electronic money transfer services; electronic fund-transfer services; electronic funds transfer by telecommunications; money transfer services utilising electronic cards; banking services in relation to the electronic transfer of funds; bank card, credit card, debit card and electronic payment card services.*

2. On 11 March 2020, BETR TECHNOLOGY LTD (“the opponent”) opposed the application on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relies on the following trade marks:<sup>1</sup>

UK00003374203

Koyo

Filing date: 11 February 2019; Registration date: 03 May 2019

The opponent relies on all services for which the mark is registered, namely:

**Class 36:** *Loan and credit services; Arrangement of loans; Installment loans; Banking and financial services; Consumer credit services; Moneylending; Mortgage broking; Mortgage loans; Providing student loans; Secured loans; Secured loans to fund the provision of bailment of motor vehicles; Secured loans to fund the provision of instalment credit agreements on motor vehicles; Credit card and debit card services; Credit card and payment card services; Credit cards (Issuance of ); Charge card and credit card services; Provision of credit cards.*

International Registration (“IR”) WE00001503395

Koyo

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<sup>1</sup> Although the UK has left the EU and the transition period has now expired, EUTMs, and International Marks which have designated the EU for protection, are still relevant in these proceedings given the impact of the transitional provisions of the Trade Marks (Amendment etc.) (EU Exit) Regulations 2019. Tribunal Practice Notice 2/2020 refers.

Designation date: 27 September 2019; Registration date: 27 September 2019

The opponent relies on all services for which the earlier mark is registered, namely:

**Class 36:** *Loan and credit services; arrangement of loans; installment loans; banking and financial services; consumer credit services; money lending; mortgage brokerage; brokerage services for mortgage loans; providing student loans; financing, arranging and securing of loans for others; financing, arranging and securing of loans for others to fund the provision of bailment of motor vehicles; financing, arranging and securing of loans for others to fund the provision of instalment credit agreements on motor vehicles; credit card and debit card services; credit card and payment card services; credit cards (issuance of -); charge card and credit card services; issuance of credit cards.*

3. The opponent claims that there is a likelihood of confusion because the marks are similar and the services are identical or highly similar. It also submits that “*it has acquired considerable goodwill and distinctiveness through its use of the KOYO mark*”. The statement of grounds included, *inter alia*, statements of facts and exhibits that were subsequently re-filed as evidence.

4. By virtue of its earlier filing dates, the marks upon which the opponent relies qualify as earlier marks pursuant to Section 6 of the Act. The opponent’s marks had not completed their registration process more than 5 years before the filing date of the application in issue and are not, therefore, subject to proof of use pursuant to Section 6A. Consequently, the opponent can rely upon all of the services it has identified.

5. The applicant filed a counterstatement denying the claims made. In particular, the applicant denies that the services are similar because, it is said, the applicant’s services are linked to the provision of charge card and credit card services, whilst the opponent provides an online loan application facility. The applicant also argues that KOTO is a fictional cat that has been promoted by the applicant in connection with the contested mark prior to 11 February 2019 and that the marks are conceptually different.

6. Both parties filed evidence. The applicant also filed written submissions dated 6 January 2021.

7. A hearing took place via video conference on 14 May 2021. The opponent was represented by Rosie Burbidge of Gunnercooke LLP who have represented the opponent throughout these proceedings. The applicant was represented by Duncan Curley of Innovate Legal Services Limited who have represented the applicant throughout these proceedings.

### **The opponent's evidence**

8. The opponent's evidence consists of a witness statement by Rosemary Burbidge who is a partner at Gunnercooke LLP. Ms Burbidge's witness statement is dated 21 September 2020 and contains a mixture of evidence and submissions.

9. Ms Burbidge states that the opponent offers personal loans to consumers in the UK. The idea behind the opponent's business was to provide access to consumer lending to people who did not have a credit history in the UK and came from its founder and CEO, Thomas Olszewski, who found accessing credit to be difficult, if not impossible, when he moved to the UK in 2016. The opponent is regulated by the Financial Conduct Authority ('FCA') and has 520 customers in the UK, employing 14 people in four countries.

10. Ms Burbidge states that the applicant and the opponent provide the same services and target the same consumers, namely consumers who are less able to access the traditional banking system due to a lack of credit history in the UK, many of which are not native English speakers. These statements are made to support the proposition that the average consumer of the parties' services is likely to be less sophisticated than the average consumer of conventional financial services and pay a lower degree of attention.

11. Ms Burbidge also makes a number of statements about the parties' businesses using similar marketing strategies and similar logos, however, these facts are irrelevant to the assessment I am required to make which is based on the notional and

fair use of the competing marks for the services on which the opponent relies and in relation to which the applicant seeks registration. Likewise, Ms Burbidge refers to the competing marks potentially being used in a variety of typefaces that might increase their similarity, providing the following examples:



12. However, whilst I accept that notional and fair use of word marks covers use in all possible fonts and typeface, the examples provided stretch the principle too far because the letters are so stylised that they became figurative elements.

13. In response to the applicant's statement that it has used the name Koto to describe a fictional cat, Ms Burbidge provides a screenshot from the applicant's website, pointing out that whilst the page displays the image of a cat, there is no reference to the cat being called Koto.

14. The rest of Ms Burbidge's evidence is aimed at supporting the argument that the services are similar. To this purpose the following points are made:

- An electronic fund transfer (EFT) moves money from one account to another. EFT transactions are also referred to as electronic banking and are both types of loan and credit services;<sup>2</sup>
- Cash cards and loyalty cards are highly similar to debit cards. Nationwide's website explains that "*cash cards are for getting money out of cash machines. But with a debit card, you can also pay in shops using chip and pin, online, over the phone and even on the go using contactless payment*";<sup>3</sup>
- Loyalty cards are often integrated into debit and credit cards. John Lewis Partnership Card enables customers to earn reward vouchers based on their usage of their credit card in John Lewis and Waitrose. Similarly, banks such as

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<sup>2</sup> Pages 37 to 40 of Exhibit RJB1

<sup>3</sup> Page 41 of Exhibit RJB1

Starling and Monzo have integrated a loyalty card element into the banking process via native or third-party applications such as Flux or Tail;<sup>4</sup>

- Many of the services listed in the applications are offered by banks<sup>5</sup> and fintech companies;<sup>6</sup>
- The applicant is currently offering e-money services but judging by the application it is likely to move into banking in the future.<sup>7</sup>

15. The opponent also provides evidence of two instances of confusion, in the form of two emails sent to the opponent where the opponent's mark is referred as Koto<sup>8</sup> and examples of reviews received by the parties' businesses.

### **The applicant's evidence**

16. The applicant's evidence consists of a witness statement by Simon Harris, the applicant's Chief Operating Officer. Mr Harris states that they have used a cat called 'koto' in their branding since 2018.

17. Mr Harris explains that the applicant has a website at getkoto.com which operates as a platform to allow customers to download their application and that, contrary to the opponent, they have no intention of offering traditional banking services such as current accounts, overdrafts, loans, saving accounts and mortgages.

18. Mr Harris states that whilst the opponent offers fixed-sum loans, the services offered by the applicant are accessible only through a smartphone and are similar to an app-based debit card with an associated credit facility, except that there is no requirement to a physical credit card in order to use the services.

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<sup>4</sup> Pages 42 to 49 of Exhibit RJB1

<sup>5</sup> Pages 50 to 55 of Exhibit RJB1

<sup>6</sup> Pages 85 to 104 of Exhibit RJB1

<sup>7</sup> Pages 56 to 82 of Exhibit RJB1

<sup>8</sup> Pages 105 to 106 of Exhibit RJB1

## DECISION

### Section 5(2)(b)

19. Section 5(2)(b) 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”.

20. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

### **Section 5(2) – case law**

21. 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.

*The principles*



- (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**

22. In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

23. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

24. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court (GC) stated that “complementary” means:

“...there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

25. In *Gérard Meric v OHIM*, Case T-133/05, the GC stated:

“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 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”.

26. In *Sky v Skykick* [2020] EWHC 990 (Ch), Lord Justice Arnold considered the validity of trade marks registered for, amongst many other things, the general term ‘computer software’. In the course of his judgment he set out the following summary of the correct approach to interpreting broad and/or vague terms:

“...the applicable principles of interpretation are as follows:

*(1) General terms are to be interpreted as covering the goods or services clearly covered by the literal meaning of the terms, and not other goods or services.*

*(2) In the case of services, the terms used should not be interpreted widely, but confined to the core of the possible meanings attributable to the terms.*

*(3) An unclear or imprecise term should be narrowly interpreted as extending only to such goods or services as it clearly covers.*

*(4) A term which cannot be interpreted is to be disregarded.”*

27. In his skeleton argument, Mr Curley proposed a fall-back specification in the form of a limited specification in class 36, which, he states would exclude: 1) loan-related services; 2) banking-related services and 3) services relating to credit cards. These, Mr Curley said, deal with the principal objections advanced by the opponent to the services in class 36, whilst leaving the applicant with sufficient trade mark protection. The proposed fall-back specification in class 36 is as follows:

**Class 36:** *cash card services; debt collection and debt factoring services; electronic funds transfer and cash dispensing services; issuing statements of accounts; savings and insurance services; debt management services; bill payment services; Insurance, financial affairs, monetary affairs, financial services (including prepaid card services) provided by the Internet, issuing of tokens of value in relation to bonus and loyalty schemes, provision of financial information; Financial and monetary services; investment services; information services relating to finance, provided online from a computer database or the internet; electronic payment services; electronic funds transfers; electronic debit transactions; electronic cash transactions; electronic money transfer services; electronic fund-transfer services; electronic funds transfer by telecommunications; money transfer services utilising electronic cards.*

28. The fall-back specification, as I understand it, does not represent a request to withdraw the contested application in relation to the services which are not included in

it. Rather, Mr Curley made clear that the fall-back specification was filed as an alternative argument in case I were against the applicant's principal argument that there is no likelihood of confusion.

29. No changes were proposed to the contested services in class 35.

30. Ms Burbidge did not provide a skeleton argument prior to the hearing because the opponent initially elected to attend the hearing without legal representation. However, there was a last-minute change and Ms Burbidge was eventually appointed to represent the opponent at the hearing. Having heard Mr Curley's oral submissions, it was not crystal clear to what extent Ms Burbidge agreed with the fall-back specification and as Ms Burbidge expressed the need to consult her client, I allowed the opponent two weeks to comment on it and the applicant another two weeks to file a response. On 28 May 2021, the opponent filed a document headed "*Opponent's submissions*" in which it confirmed that the following services in the contested specification were no longer opposed:

**Class 35:** *Provision of information relating to tax; management of customer loyalty, incentive or promotional schemes; organisation, operation and supervision of customer loyalty schemes; loyalty card services; the bringing together, for the benefit of others, of a variety of services, namely insurance services, investment services, currency conversion services, **purchasing services**, collection services enabling customers to view and purchase those services; price comparison services; information, consultancy and advisory services in connection with all of the aforesaid.*

**Class 36:** *debt collection and debt factoring services; savings and insurance services; **debt management services**; Insurance, issuing of tokens of value in relation to bonus and loyalty schemes, provision of financial information; investment services; information services relating to finance, provided online from a computer database or the internet.*

31. In relation to the terms in bold, the opponent stated that it would require more clarification on their meaning before confirming whether it wished to maintain the opposition against these terms. I shall deal with this point in due course.

32. In response to the opponent’s submissions, the applicant proposed a further limitation by adding the words “*all excluding banking services*” at the end of the contested specification in class 36.

33. I will return to the fall-back specification later, but for now I will conduct the comparison of the services at issue taking into account that some of the contested services are no longer opposed.

34. The services to be compared are as follows (the terms highlighted in grey are those which are still opposed):

The applicant’s services	The opponent’s services
<p><b>Class 35:</b> <i>Provision of information relating to tax; provision of statements of account; data processing services; management of customer loyalty, incentive or promotional schemes; organisation, operation and supervision of customer loyalty schemes; loyalty card services; the bringing together, for the benefit of others, of a variety of services, namely credit card services, insurance services, investment services, loans and credit services, financial services, payment services, currency conversion services, purchasing services, collection services enabling customers to view and purchase those services; price comparison services; information,</i></p>	<p>UK00003374203</p> <p><b>Class 36:</b> <i>Loan and credit services; Arrangement of loans; Installment loans; Banking and financial services; Consumer credit services; Moneylending; Mortgage broking; Mortgage loans; Providing student loans; Secured loans; Secured loans to fund the provision of bailment of motor vehicles; Secured loans to fund the provision of instalment credit agreements on motor vehicles; Credit card and debit card services; Credit card and payment card services; Credit cards (Issuance of -); Charge card and credit card services; Provision of credit cards.</i></p>

consultancy and advisory services in connection with all of the aforesaid.

**Class 36:** Financial services; loan and credit services; hire purchase and lease purchase finance; charge card and credit card services; debit card services; cash card services; debt collection and debt factoring services; instalment loan financing, electronic funds transfer and cash dispensing services; issuing statements of accounts; savings and insurance services; debt management services; bill payment services; Insurance, financial affairs, monetary affairs, banking (including home banking), financial services (including prepaid card services) provided by the Internet, issuing of tokens of value in relation to bonus and loyalty schemes, provision of financial information; Financial and monetary services; investment services; banking services; merchant banking; international banking; electronic banking; private banking; online banking; provision of banking services via a website; electronic banking services; electronic banking via a global computer network [internet banking]; financial banking services for the deposit of money; financial banking services for the withdrawal of money; banking services provided for paying

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**Class 36:** Loan and credit services; arrangement of loans; installment loans; banking and financial services; consumer credit services; money lending; mortgage brokerage; brokerage services for mortgage loans; providing student loans; financing, arranging and securing of loans for others; financing, arranging and securing of loans for others to fund the provision of bailment of motor vehicles; financing, arranging and securing of loans for others to fund the provision of instalment credit agreements on motor vehicles; credit card and debit card services; credit card and payment card services; credit cards (issuance of -); charge card and credit card services; issuance of credit cards.

*bills by telephone and online; automated banking services relating to charge card transactions; automated banking services relating to credit card transactions; banking services relating to the transfer of funds from accounts; banking services in relation to the electronic transfer of funds; information services relating to finance, provided online from a computer database or the internet; electronic payment services; electronic funds transfers; electronic debit transactions; electronic cash transactions; electronic money transfer services; electronic fund-transfer services; electronic funds transfer by telecommunications; money transfer services utilising electronic cards; banking services in relation to the electronic transfer of funds; bank card, credit card, debit card and electronic payment card services.*

35. As the specification of the two earlier marks are nearly identical and nothing turns on the differences between the two specifications, I will carry out the comparison on the basis of the UK mark only. Further, whilst Mr Curley conceded<sup>9</sup> that there is “*some identity of services in both specifications*” he did not state what services he considers to be identical. Hence, I will make my own assessment.

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<sup>9</sup> Paragraph 20 of skeleton argument



## Class 35

36. Provision of statements of account. At the hearing Mr Curley mentioned that statements of account might be issued by banks. I do not agree. In my view, the term *provision of statements of account* in class 35 would not cover bank statements. In *Altecnic Ltd's Trade Mark Application*<sup>10</sup> it was established that “*the Registrar is entitled to treat the Class number in the application as relevant to the interpretation of the scope of the application, for example, in the case of an ambiguity in the list of the specification of goods*”.<sup>11</sup> The same applies to services. Bearing in mind that the class headings indicate in broad terms the nature of the goods/services which fall within each class and that the class headings of class 35 cover *advertising; business management, organization and administration; office functions*, I consider that the term *provision of statements of account* in the contested specification in class 35 must be interpreted as referring to a service consisting of providing statements of accounts for others; further, I understand the term “*statement of accounts*” to mean statements that outline transactions between a business and its customers. On that basis, I consider that the contested *provision of statements of account* are business-to-business services aimed at providing a business with assistance in drawing and issuing statements of accounts to its customers. The services would not cover banks issuing financial statements to their clients. The services are different in nature from the services protected by the opponent’s mark (which covers various bank and financial

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<sup>10</sup> [2002] RPC 34 (COA)

<sup>11</sup> See also *Pathway IP Sarl (formerly Regus No. 2 Sarl) v Easygroup Ltd (formerly Easygroup IP Licensing Limited)*, [2018] EWHC 3608 (Ch), in which the late Mr Justice Carr considered whether it was appropriate to take the class(es) in which the trade mark was registered into account in revocation or invalidation proceedings when deciding whether a description covered the goods/services shown in the evidence. After considering the judgments of the High Court in the *Omega 1* [2010] EWHC 1211 (Ch) and *Omega 2* cases [2012] EWHC 3440 (Ch), the judge stated that in his (provisional) view, the class number should be taken into account where the meaning of the disputed term is not otherwise sufficiently clear and precise. In particular the judge stated that where “*the words chosen may be vague or could refer to goods or services in numerous classes [of the Nice classification system], the class may be used as an aid to interpret what the words mean with the overall objective of legal certainty of the specification of goods and services.*”

services in class 36), have a different uses and purpose, are neither complementary nor in competition, and do not share trade channels. These services are dissimilar.

37. Data processing services. At the hearing Ms Burbidge stated that “*if financial services was excluded from data processing services maybe that would not be such a concern to the opponent*”. Again, taking into account the Nice classification class number in interpreting the scope of the term, I find that *data processing services* must be understood as a business-to-business service consisting of processing data for others. The purpose of the services is to assist third parties in the operation and running of their business or in their compilation of information in computer databases, for example. These are not financial services, even if the data and information processed are of financial nature. Therefore, these services differ in nature and purpose from the opponent’s services. Their distribution channels and usual providers also differ. Lastly, they are neither in competition, nor complementary. These services are dissimilar.

38. The bringing together, for the benefit of others, of a variety of services, namely credit card services, loans and credit services, financial services, payment services, purchasing services. At the hearing Ms Burbidge argued that these services are identical to the opponent’s services in class 36. In case C-420/13, *Netto Marken Discount*, the CJEU clarified that retailing of services can be a commercial activity in its own right and is capable of protection. The Court ruled that “*...there are situations in which a trader selects and offers an assortment of third-party services so that the consumer can choose amongst those services from a single point of contact. The services rendered by such a trader can consist, in particular, both of activities designed to allow a consumer conveniently to compare and purchase those services and of advertising services*”. Following the decision in the *Netto Marken* the UKIPO published a Practice Amendment Notice (PAN) 1/15 on “*Trade Mark Applications seeking to protect the retailing or ‘bringing together’ of services*”. It states:

“Users should note that the CJEU’s ruling is not to be interpreted as providing a means for obtaining duplicative protection of services already registered in their own right (whether proper to class 35 or elsewhere). Nor should it be as perceived as an alternative means for providing protection in respect of the

advertising of one's own services. The important distinction between, on the one hand, the services involved in the retailing of products, and on the other, the mere selling and/or advertising of one's own goods or services was reiterated by the CJEU in Case C-421/13 Apple Inc. v Deutsches Patent- und Markenamt ('Apple Store Layout') where, at paragraph 26, the following was stated:

“a sign depicting the layout of the flagship stores of a goods manufacturer may legitimately be registered not only for the goods themselves but also for services falling within one of the classes under the Nice Agreement concerning services, where those services do not form an integral part of the offer for sale of those goods...”

Where the Registrar is unsure as to whether a specification denotes the bringing together of services or the provision/advertising of those services per se, an objection will be taken, and the applicant invited to amend its specification in accordance with this guidance. This will apply, for example, where a specification describes activities which fall outside of what one would reasonably expect to be covered by the term 'retailing', see:

- The bringing together, for the benefit of others, of (a variety of) broadcasting services, enabling customers to make use of such facilities, including over a global computer network.”

The EUIPO Manual<sup>12</sup> similarly states:

“As regards 'retail of services' (i.e. services that consist of the bringing together, for the benefit of others, of a variety of services, enabling consumers to conveniently compare and purchase those services), the Court has held that these must also be worded with sufficient clarity and precision to allow the competent authorities and other economic

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<sup>12</sup> Version published 1 March 2021

operators to know what services the applicant intends to bring together (10/07/2014, C-420/13, *Netto Marken Discount*, EU:C:2014:2069).

The CJEU's ruling is not to be interpreted as providing a means of obtaining duplicate protection for services intended to be provided in their own right (whether proper to Class 35 or elsewhere). Nor should it be perceived as an alternative means of providing protection for the advertising of one's own services. Therefore, if an application covers 'the bringing together for the benefit of others of telecommunication services, enabling customers to conveniently compare and purchase those services', these services do not cover the actual provision of telecommunication services, which belongs to Class 38, but only the bringing together of a variety of telecommunication service providers so as to enable consumers to compare and purchase those services conveniently".

39. It seems to me, therefore, that the sale by a service provider of its own services is a commercial activity for the service provider's own benefit and is excluded from the concept of retail of services service in class 35. On that basis, the contested services in class 35 are analogous, in my view, to the provision of comparison services relating to credit card services, loans and credit services, financial services, payment services and purchasing services and akin to the provision marketplaces for buyers and sellers of the same services. These are services provided by intermediaries. Providers of these services do not actually provide consumers with credit card services, loans and credit services, financial services, payment services and purchasing services; the purpose of services thus is, instead, to offer an assortment of credit card services, loans and credit services, financial services, payment services and purchasing services which are provided by third-parties. The specification does not cover situations where, for example, a provider of financial services would offer different types of credit cards, loans or financial services; this would be covered by a registration in class 36 for the provision of credit cards, loans and financial services. Although the services might target the same consumers, the contested services are different in nature and purpose from the opponent's services, which do not cover retail services. The services are provided by different companies and are offered through different

distribution channels. They are not complementary, in the sense that one is indispensable to the other, although there might be a degree of competition between the opponent's services (which include a range of financial and banking services), and the contested services, to the extent that the latter include the retail of services that are identical to those provided by the opponent, i.e. credit card services, loans and credit services and financial services. On that basis, I find that there is a low degree of similarity between the contested *the bringing together, for the benefit of others, of a variety of services, namely credit card services, loans and credit services, financial services* and the opponent's services.

40. I extend the same conclusion to the retail of *payment services*, which would cover services consisting of providing electronic mobile payments. The retailled *payment services* are the same as some of the services covered by the opponent's *banking services* such as, for example, online banking that allows consumers to conduct payments from their personal accounts.

41. As regards the retail of *purchasing services*, the opponent stated that taking into account the class number, *"it is assumed that purchasing services concerns the procurement of goods and services from the marketplace and not the payment aspect of those services. On that assumption, the opponent does not oppose the inclusion of purchasing services in the Fallback Specification. However, if "purchasing services" means any type of financial service then, for the reasons set out elsewhere in these submissions, the opponent objects to its inclusion"*. I agree with the applicant that the term *purchasing services* in the contested specification would only cover services consisting of the purchasing of goods and services for other businesses. Hence, I find that these services are dissimilar.

### **Class 36**

42. The opponent's specification covers *banking and financial services*. The following services in the contested specification are all types of banking and financial services and, being encompassed by the broad term *banking and financial services* in the opponent's specification, they must be considered to be identical (Meric):

Financial services; financial affairs, monetary affairs, banking (including home banking), financial services (including prepaid card services) provided by the Internet; Financial and monetary services; banking services; merchant banking; international banking; electronic banking; private banking; online banking; provision of banking services via a website; electronic banking services; electronic banking via a global computer network [internet banking]; financial banking services for the deposit of money; financial banking services for the withdrawal of money; banking services provided for paying bills by telephone and online; automated banking services relating to charge card transactions; automated banking services relating to credit card transactions; banking services relating to the transfer of funds from accounts; banking services in relation to the electronic transfer of funds; banking services in relation to the electronic transfer of funds; bank card services.

43. At the hearing Mr Curley argued that some of the banking services listed in the contested specification, e.g. *provision of banking services via a website; banking services provided for paying bills by telephone and online; automated banking services relating to charge card transactions* and *automated banking services relating to credit card transactions*, are specific services characterised according to the manner of delivery and are not banking services *per se* but administrative services that are offered in order to make transactions more efficient for consumers. I disagree. The limitation contained within the specification does not alter the nature of the services, which are clearly qualified as banking and financial services. Hence, I dismiss the argument.

44. Loan and credit services; instalment loan financing. The contested *loan and credit services* appear in both specifications. The contested *instalment loan financing*<sup>13</sup> is identical to the opponent's *installment loans*.

45. Hire purchase and lease purchase finance. The contested *hire purchase* is an arrangement whereby a customer agrees to acquire an asset by paying an initial instalment and repays the balance of the price of the asset plus interest over a period

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<sup>13</sup> Mr Curley referred to the service as *investment loan financing* but the correct term is *instalment loan financing*.

of time. The contested *lease purchase finance* involves the continuing use of goods under a lease for a stipulated period with option for the lessee to buy and with part of the rental charges credited toward the purchase price. Both *hire purchase* and *lease purchase finance* are a form of finance which might be used to finance the purchase of motor vehicles and are at least similar to the opponent's *secured loans to fund the provision of bailment of motor vehicles* and *secured loans to fund the provision of instalment credit agreements on motor vehicles* since they have a similar nature and purpose (i.e. financial agreements), target the same users and are competitive (as they can be an alternative to a bank loan). However, it is not clear whether the providers of financial services associated with hire purchase and lease purchase schemes and the providers of the opponent's loan services coincide. In my view, these services are similar to a medium degree.

46. *Charge card and credit card services; debit card services; credit card, debit card and electronic payment card services.* The contested *charge card and credit card services* and *debit card services* are identically contained in both specifications. The contested *credit card, debit card and electronic payment card services* are identical to the opponent's *credit card and debit card services* and *credit card and payment card services*.

47. *Cash card services; cash dispensing services.* In his submissions in reply, the applicant argued that cash cards are different to credit and payment cards in that a "*cash card is used to store cash for various type of payment and it is a facility in which the consumer decide to store their own cash and then use their cash card (instead of cash) when making payments*". I disagree. Oxford English dictionary defines "*cash card*" as "*a plastic card issued by a bank or building society which enables the holder to withdraw money from a cash machine*". Based on this definition, the contested *cash card services* and *cash dispensing services* are encompassed by (and so are identical to) the opponent's *banking and financial services (Meric)*. Alternatively, they are highly similar to the opponent's *debit card services* and *payment card services*, which are used to, *inter alia*, store consumers' cash (for example, wages are normally paid into current accounts that come with a debit card which let the owner of the card withdraw money from a cash machine).

48. Electronic funds transfer; electronic funds transfers; electronic money transfer services; electronic fund-transfer services; electronic funds transfer by telecommunications; money transfer services utilising electronic cards. An electronic funds transfer is an electronic transfer of money from one account to another. As the opponent's evidence shows, electronic fund transfers are also referred to as electronic banking - although the evidence seems to relate to the US rather than the UK, I think the point is equally applicable to the UK. The applicant argues that the opponent's specification does not include electronic transactions and that not all of the services carried out by banks are banking services. I reject the argument. The opponent's specification covers the broad term *banking and financial services*; this would encompass the services listed, all of which are financial in nature and would usually be provided by financial and banking institutions. I am fortified in this conclusion by the fact that the contested specification includes the term *banking services relating to the transfer of funds from accounts*, which confirms my own view that a service consisting of the transfer of funds and money (electronic or otherwise) is a banking service. These services are identical on the principle outlined in *Meric*.

49. Electronic cash transactions; electronic debit transactions; electronic payment services. *Electronic cash transactions* consist of transactions of cash stored electronically, for example, transactions using an online banking system. *Electronic debit transactions* are debit payments from a bank account, whereby the receiver will initiate an electronic withdrawal directly from the debtor's account. *Electronic payment services* are payment services provided through electronic means, and would include, for examples, payments made through online banking which are conducted electronically. These services are all financial services carried out by banks and financial companies and, as such, they fall within (and so are identical to) the opponent's broad term *banking and financial services (Meric)*.

50. Issuing statements of accounts. The class headings of class 36 include financial, monetary and banking services, insurance services and real estate affairs. Within that context, *issuing statements of accounts* would include the issuing of bank statements by a bank to its customers. If not identical, the services are similar to the opponent's *banking and financial services*, as they would target the same users, be provided



through the same channels and be highly complementary. These services are similar to a high degree.

51. Debt management services. In her submissions the opponent states that if “*debt management services*” in class 36 means debt collection or a similar type of service then the opponent does not object to its inclusion in the Fallback Specification. However, if this means any service associated with restructuring a loan or any other form of credit service whether by the form of a card service or a loan, then the opponent objects to its inclusion on the basis that it is highly similar to, amongst other things, [the applicant’s] “arrangement of loans”, “installment of loans”, “mortgage loans”, “mortgage broking”, “secured loans to fund the provision of bailment of motor vehicles” and “secured loans to fund the provision of instalment credit agreements on motor vehicles”. In my view, a natural reading of the term *debt management services* covers services aimed at either a) providing a debt management plan to help debtors to lower their current debt and move toward eliminating it and/or b) assisting creditors to recover their sums. I do not consider that the term fall within the opponent’s *financial and banking services* based on the dictionary definition of financial services as “*professional services involving the investment, lending, and management of money and assets: the firm provides a range of financial services, including tax preparation, insurance coverage, and investment portfolios | [as modifier]: the financial services sector.*”<sup>14</sup> The services have different users, uses, nature and purpose, are neither complementary nor in competition and there is no evidence that are provided by banks and financial institutions. These services are dissimilar. If I am wrong, and the services are similar to any degree, given my interpretation of the term and the opponent’s concession, I consider that these services fall within the categories of services which are no longer opposed.

52. Bill payment services. Since the contested services cover *banking services provided for paying bills by telephone and online*, which are included within the term *bill payment services*, I extend here the same conclusions I have outline above. These services are identical.

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<sup>14</sup> Oxford English Dictionary

53. As there can be no confusion where there is no similarity between the services<sup>15</sup>, the opposition under Section 5(2)(b) can be dismissed for the services which I found to be dissimilar, namely:

**Class 35:** *provision of statements of account; data processing services; the bringing together, for the benefit of others, of a variety of services, namely purchasing services.*

**Class 36:** *debt management services.*

54. I think it might be useful to pause here merely to record that given my findings about the dissimilarity of some of services concerned and the fact that the opponent has withdrawn the opposition in relation to some of the applied for services, the services which are still disputed are as follows (with the services highlighted in grey being those listed in the applicant's proposed fall back-specification – i.e. those which the opponent wishes to retain and considers would give it sufficient trade mark protection):

**Class 35:** *the bringing together, for the benefit of others, of a variety of services, namely credit card services, loans and credit services, financial services, payment services, enabling customers to view and purchase those services.*

**Class 36:** *Financial services; loan and credit services; hire purchase and lease purchase finance; charge card and credit card services; debit card services; cash card services; instalment loan financing, electronic funds transfer and cash dispensing services; issuing statements of accounts; bill payment services; financial affairs, monetary affairs, banking (including home banking), financial services (including prepaid card services) provided by the Internet, Financial and monetary services; banking services; merchant banking; international banking; electronic banking; private banking; online banking; provision of banking services via a website; electronic banking services; electronic banking via a global computer network [internet banking]; financial*

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<sup>15</sup> eSure Insurance v Direct Line Insurance, [2008] ETMR 77 CA

*banking services for the deposit of money; financial banking services for the withdrawal of money; banking services provided for paying bills by telephone and online; automated banking services relating to charge card transactions; automated banking services relating to credit card transactions; banking services relating to the transfer of funds from accounts; banking services in relation to the electronic transfer of funds; electronic payment services; electronic funds transfers; electronic debit transactions; electronic cash transactions; electronic money transfer services; electronic fund-transfer services; electronic funds transfer by telecommunications; money transfer services utilising electronic cards; banking services in relation to the electronic transfer of funds; bank card, credit card, debit card and electronic payment card services.*

### **Average consumer and the nature of the purchasing act**

55. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' services in class 35 and 36. I must then determine the manner in which the services are likely to be selected by the average consumer. 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 (as he then was) 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.”

56. Both parties' specifications cover general banking and financial services. The average consumer of the services is either a member of the general public or a business user.

57. Although Ms Burbidge accepted at the hearing that the selection of some financial services might be attract a high degree of attention, the opponent's position was that consumers will pay a lower than average degree of attention when selecting the parties' services because of their personal circumstances. In this connection, the opponent refers to its customers being individuals who are less able to access the traditional banking system due to lack of credit history in the UK or because English is not their first language. I reject the submission. There is nothing in in the specification of the marks that limit the services to the specific section of the market targeted by the opponent (or indeed the applicant); hence, I must consider notional and fair use of the marks across the full width of the services in the respective specifications.

58. The applicant, on the other hand, argues that consumers will always show a high degree of attention, given the nature of the services involved.

59. In my view, the proper characterisation of the consumer's level of attention probably lies somewhere in the middle between those characterisations given by the parties. Accordingly, I find that because of the importance of financial matters to most consumers, consumers of the parties' services are likely to pay an above average degree of attention when selecting a service provider.

60. The average consumers are most likely to encounter the competing marks on signage on the high street, in promotional material (in hard copy and on-line) and on websites, so visual considerations are likely to dominate the selection process. However, word-of-mouth recommendations are also likely to play an important part.

### **Comparison of the marks**

61. 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 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.”

62. 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. The respective trade marks are shown below:

The applicant's mark	The opponent's mark
koto	Koyo

63. Both marks consist of a single four-letter word presented in standard letters. As no part of the marks is highlighted or emphasised in any way, the overall impression the marks convey, and their distinctiveness lie, in the single word of which they are composed.

### **Visual similarity**

64. The opponent argued that the marks are highly similar because they differ only in one letter and because the letters ‘Y’ and ‘T’ are *“particularly substitutable letters”* and can look extremely similar in both capital and in lower case format.

65. The applicant argues that the marks are visually and aurally similar to a low degree because small differences in short marks might lead to different overall impressions. In this connection, the applicant referred me to two cases, but I agree with the

opponent that they do not have any bearing on how I should approach the case, given that they relate to different marks. In the case T-117/02 the GC upheld the BoA's finding that there was no likelihood of confusion between the marks CHUFAPIT and CHUFI; in the case T-273/02 the marks involved were CALPICO and CALYPSO and the GC also upheld a finding of no likelihood of confusion. The correct approach is not to proceed by way of analogy with other cases, but to apply the relevant case-law and principles on a case by case basis.

66. Even considering the principle that in respect of word marks which are relatively short the central elements are as important as the elements at the beginning and end of the marks,<sup>16</sup> the respective marks share the same first, second and fourth letters and this creates an element of similarity. They differ in that they have different third letters, namely, a letter "t" in the applicant's mark and the letter "y" in the opponent's mark. Taking all of this into account, I conclude that the respective marks share a medium to high level of visual similarity. The fact that the opponent's mark is presented with a capital first letter and lower case second, third and fourth letters and the applicant's mark is presented all in lower case has no impact upon my considerations because both marks are word marks and this is considered to cover use of the marks in capital letters, lower case or with an capital first letter.

### **Aural similarity**

67. The applicant argues that the letter "t" in its koto mark has a hard sound that is highly different from the soft sound of the letter "y" in the opponent's mark. At the hearing Mr Curley referred me again to the case T-117/02, where the GC stated that the BoA was correct in finding that: *"[W]hilst it is true that visually and phonetically they share a common first syllable "CHU", the marks "CHUFI" and "CHUFAPIT" overall are visually dissimilar: they are spelt differently: the opposing mark has two syllables whilst the mark applied for has three. They have a quite different pronunciation, the opposing mark being shorter, and overall softer in sound – with the two vowels "U-I" dominating –, than the mark applied for, which begins softly but ends quite abruptly with "FIT" and which extends over three vowels producing broadly the sound "U-A-I".*" Again, I cannot

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<sup>16</sup> Paragraph 39 of Case T-273/02 to which Mr Curley referred at the hearing

extrapolate any general principle from the specific facts of this case, let alone that there is no aural similarity between the marks koto and Koyo. In my view, the respective marks share a medium to high level of aural similarity.

### **Conceptual similarity**

68. Both marks will be perceived by the relevant public as invented words having no obvious no meaning. Although the applicant originally attempted to run the argument that the word “koto” is the name of a fictional cat and that “kot” means cat in Russian,<sup>17</sup> at the hearing Mr Curley conceded that the applicant agrees with the opponent that the conceptual similarity plays no role in this case. The marks are neither conceptually similar nor different.

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

69. 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-2779, 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

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<sup>17</sup> Witness statement of Simon Harris

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).”

70. Registered marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it.

71. Although the opponent has filed some evidence of use, the evidence filed is mainly aimed at establishing the nature of the business run by the opponent and does not include turnover or advertising figures, so any reference to use of the marks is merely incidental. Therefore, I have only the inherent position to consider.

72. From an inherent perspective, I have already noted that the opponent’s Koyo mark is likely to be perceived as an invented word with a consequent high level of inherent distinctive character.

### **Likelihood of confusion**

73. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, 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 services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the opponent’s mark, the average consumer for the services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks. In determining whether there is a likelihood of confusion, a number of factors need to be borne in



mind. The different types of confusion were explained by 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.

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).”

74. Earlier in this decision I have found the marks to be visually and aurally similar to between a medium and high degree and conceptually neutral. I have found the earlier mark to be inherently distinctive to a high degree. I have found the average consumer to be a member of the general public or a business user who will pay an above medium degree of attention during the purchasing process. I have found the purchasing process to be predominantly visual (although I do not discount an aural component). I have found some of the services to be dissimilar. For the services which I found to be similar, they will range from identical to similar to a low degree.

75. Most of these factors point towards a likelihood of confusion, namely, that identical or highly similar services are involved, the level of visual and aural similarity and the high level of distinctive character of the opponent's mark. Further, neither mark will be perceived as having a conceptual hook upon which the consumers' memory could hang and which may assist consumers in distinguishing between the marks. These factors, when taken together, outweigh the fact that the average consumer pays an above average level of care (a factor that would make confusion less likely). When all these are considered together, I conclude that the average consumer is likely to imperfectly recollect the marks and directly confuse one mark for the other when identical services, or services which are similar to a high and medium degree, are involved. Hence, my conclusion is that **there is a likelihood of direct confusion in relation to the services in class 36 which I found to be identical or similar to a high and medium degree.**

76. However, the principles of direct and indirect confusion are not confined to the comparison of marks, but extend to the overall global comparison and direct confusion is unlikely to arise where the goods and services are not identical or close to being so - especially in circumstances where an above degree of attention is paid during the selection of the services.<sup>18</sup> On that basis, I find that there is no likelihood of direct confusion where the degree of similarity between the services is only low, namely in respect of the services in class 35 which I found to be similar to a low degree.

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<sup>18</sup> BL-O-382-16

77. As regards indirect confusion, I have given careful consideration to the issue, however, my conclusion is that even if consumers become aware of both services, I do not consider that they would perceive them as coming from the same or economically linked undertakings. This is because it is unlikely, in my view, that consumers will assume that a provider of financial and banking services would expand its business to offer retail services connected with the sale of credit card services, loans and credit services, financial services and payment services provided by direct competitors and third parties. It seems more likely that the average consumer will instead attribute the similarity between the marks to coincidence not economic connection.

78. In reaching this conclusion, I have not overlooked the evidence of actual confusion filed by the opponent. This consists of only two brief emails, one which appears to relate to a loan application where the consumer sent an email to messages@koyoloans.com addressing the recipient as “Dear Koto Team” and another which - it was explained at hearing - was sent by a job applicant to thomas@koyoloans.com in which the sender states “[...] I am due to come into Koto this morning to meet up with Guy. Unfortunately, my train is running late”. The first email only displays confusion in the context of identical services, for which I have already found that there is a likelihood of direct confusion. The second email does not relate to a consumer of the parties’ services, but to an individual who had applied for a job at the opponent’s Koyo business; it is not clear why the individual made the error, typing Koto instead than Koyo, but it is possible that it might have encountered the applicant’s koto mark whilst doing his/her online research about the company which advertised the job in which case he/she would have found that there was a company with a similar name offering similar services, i.e. credit services through a mobile application. As neither email relate to instances of confusion arising in the context of services which are comparable to those in class 35 which I found to be similar to a low degree, I conclude that there is nothing to be gained by this evidence.

79. Accordingly, the opposition fails in relation to the following services:

**Class 35:** *provision of statements of account; data processing services; the bringing together, for the benefit of others, of a variety of services, namely credit*

*card services, loans and credit services, financial services, payment services, purchasing services, enabling customers to view and purchase those services.*

**Class 36:** *debt management services.*

80. Since the applicant no longer opposes some of the services concerned, the specification which will proceed to registration is as follows (including the services in relation to which the opposition has failed):

**Class 35:** *Provision of information relating to tax; provision of statements of account; data processing services; management of customer loyalty, incentive or promotional schemes; organisation, operation and supervision of customer loyalty schemes; loyalty card services; the bringing together, for the benefit of others, of a variety of services, namely credit card services, insurance services, investment services, loans and credit services, financial services, payment services, currency conversion services, purchasing services, collection services enabling customers to view and purchase those services; price comparison services; information, consultancy and advisory services in connection with all of the aforesaid.*

**Class 36:** *debt collection and debt factoring services; savings and insurance services; debt management services; Insurance, issuing of tokens of value in relation to bonus and loyalty schemes, provision of financial information; investment services; information services relating to finance, provided online from a computer database or the internet.*

81. Based on my finding above, the opposition succeeds in relation to the following services:

**Class 36:** *Financial services; loan and credit services; hire purchase and lease purchase finance; charge card and credit card services; debit card services; cash card services; instalment loan financing, electronic funds transfer and cash dispensing services; issuing statements of accounts; bill payment services; financial affairs, monetary affairs, banking (including home banking),*

*financial services (including prepaid card services) provided by the Internet, Financial and monetary services; banking services; merchant banking; international banking; electronic banking; private banking; online banking; provision of banking services via a website; electronic banking services; electronic banking via a global computer network [internet banking]; financial banking services for the deposit of money; financial banking services for the withdrawal of money; banking services provided for paying bills by telephone and online; automated banking services relating to charge card transactions; automated banking services relating to credit card transactions; banking services relating to the transfer of funds from accounts; banking services in relation to the electronic transfer of funds; electronic payment services; electronic funds transfers; electronic debit transactions; electronic cash transactions; electronic money transfer services; electronic fund-transfer services; electronic funds transfer by telecommunications; money transfer services utilising electronic cards; banking services in relation to the electronic transfer of funds; bank card, credit card, debit card and electronic payment card services.*

82. The services highlighted in grey are those listed in the proposed fall-back specification which are of most interest to the applicant. In the submissions filed in reply to the opponent's comments on the fall-back specification, the applicant proposed a further limitation by adding the words "*all excluding banking services*" at the end of the fall-back specification in class 36.

83. The opponent's position in respect of the proposed fall-back specification (as outlined in its submissions dated 28 May 2021) is that it does not overcome the objection in relation to the services for which the opposition is maintained as it still covers identical and similar services. I agree. The proposed fall-back specification (as it was initially formulated) amounted to no more than a reduced list of services, which does not change the nature of the services left in the fall-back specification or their degree of similarity with the opponent's services.

84. The only issue which I am left to consider is therefore whether the proposed amendment "*all excluding banking services*" would in practice exclude occasions for

confusion on the part of the relevant public. I do not consider that it does. This is because although the applicant argued that it is not a “challenger bank” (a term which, I understand, is used to refer to a relatively small retail bank) and has no intention of offering traditional banking services (such as current accounts and overdraft, loans, saving account and mortgages), the alternative specification still includes services which, even if not provided by a bank (but, as it appears to be the case, by a credit provider through a mobile app), would still have the same nature as that of the financial services covered by the opponent’s registration and would still be similar to the opponent’s services to the same degree I have found above.

85. In these circumstances, I have reached the conclusion that neither the first nor the second fall-back specification would overcome the opponent’s objection.

## **OVERALL OUTCOME**

86. The opposition has succeeded in respect of the originally applied for:

**Class 36:** *Financial services; loan and credit services; hire purchase and lease purchase finance; charge card and credit card services; debit card services; cash card services; instalment loan financing, electronic funds transfer and cash dispensing services; issuing statements of accounts; bill payment services; financial affairs, monetary affairs, banking (including home banking), financial services (including prepaid card services) provided by the Internet, Financial and monetary services; banking services; merchant banking; international banking; electronic banking; private banking; online banking; provision of banking services via a website; electronic banking services; electronic banking via a global computer network [internet banking]; financial banking services for the deposit of money; financial banking services for the withdrawal of money; banking services provided for paying bills by telephone and online; automated banking services relating to charge card transactions; automated banking services relating to credit card transactions; banking services relating to the transfer of funds from accounts; banking services in relation to the electronic transfer of funds; electronic payment services; electronic funds transfers; electronic debit transactions; electronic cash*

*transactions; electronic money transfer services; electronic fund-transfer services; electronic funds transfer by telecommunications; money transfer services utilising electronic cards; banking services in relation to the electronic transfer of funds; bank card, credit card, debit card and electronic payment card services.*

and in respect of the suggested alternative:

**Class 36:** *cash card services; electronic funds transfer and cash dispensing services; issuing statements of accounts; bill payment services; financial affairs, monetary affairs, financial services (including prepaid card services) provided by the Internet, Financial and monetary services; electronic payment services; electronic funds transfers; electronic debit transactions; electronic cash transactions; electronic money transfer services; electronic fund-transfer services; electronic funds transfer by telecommunications; money transfer services utilising electronic cards all excluding banking services.*

87. Accordingly, none of the above may proceed to registration.

88. The application may proceed to registration for the services listed at paragraph 80.

## **COSTS**

89. In my view, both parties have enjoyed an approximately equal degree of success in these proceedings. As a result, I do not consider it appropriate to make an award of costs in the favour of either party.

Dated this 26<sup>th</sup> day of July 2021

T Perks  
For the Registrar,  
the Comptroller-General