$$d = \left| \left| x^{(i)} - x^{(i)'} \right| \right|^2 = \sqrt{\sum_{i=1}^{d} (x^{(i)} - x^{(i)'})^2} = \sqrt{x^T x' - 2x^T x' + x'^T x'}$$

To satisfy Mercer condition, formulate the k - nearest neighbor algorithm by squaring the Euclidean distance. Then have:

$$k(x^{(i)}, x^{(i)'}) = x^T x' - 2x^T x' + x'^T x'$$