

O-122-13

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 2600893
BY MOUNTAIN HIGH PROPERTIES LTD
TO REGISTER THE TRADE MARK**

Beach Famille

IN CLASSES 35 & 43

AND:

**OPPOSITION THERETO UNDER NO. 103293
BY SANDALS RESORTS INTERNATIONAL 2000 LIMITED**

BACKGROUND

1. On 10 November 2011, Mountain High Properties Ltd (“Mountain”) applied to register **Beach Famille** as a trade mark. The application was accepted and published for opposition purposes on 3 February 2012 for the following services:

35 - Promotional services relating to holidays for families in beach destinations worldwide.

43 - The provision of holidays for families in beach destinations worldwide.

2. On 2 May 2012, Sandals Resorts International 2000 Limited (“Sandals”) filed a notice of opposition directed against all of the services in Mountain’s application. Following amendment, Sandal’s opposition is now based upon a single ground under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) for which it relies upon the following trade mark registration:

CTM no. 9401357 for the trade mark **BEACHES** applied for on 24 September 2010 and registered on 22 March 2012. Sandals indicate that it is relying upon the following services:

35 – Business and hotel management and hotel administration; advertising services in relation to travel and hotel accommodation; operation and supervision of loyalty schemes and incentive schemes.

39 – Operation of travel agencies, escorting and travel services.

43 - Catering services; crèche and nursery facilities; reservation services for booking accommodation and meals; bar services and bar, wine bar, snack bar, coffee bar services, hotel-in and check-out services; electronic information services relating to food and drink.

3. On 6 July 2012, Mountain filed a counterstatement which consists, in essence, of a denial of the ground upon which the opposition is based. As these are the only comments I have from Mountain they are reproduced below in full:

“We do not agree that registration of the mark “Beach Famille” offends the Trade Marks Act 1994. Nor do we agree it is likely to lead to confusion on the part of a consumer.

“Beach” is a generic term, and numerous firms use it within their branding and marketing. Travel industry examples that can be found with a quick internet search include:

Onthebeach.co.uk, Beachretreats.co.uk, Whitebeachholidays.com, Beachtomato.com, Beachlets.co.uk, Beach-holidays.co.nz

Given the nature of the holidays we sell, "Beach" is a suitable generic and descriptive word to use attached to the dominant word "Famille".

We have marketed skiing holidays under the "Ski Famille" brand for 21 years. Using other terms with the word "Famille" is a logical and legitimate extension of our well respected brand. We believe that the consumers targeted by our marketing will quickly link "Beach Famille" back to our business.

In summary, we do not feel that use of the mark "Beach Famille" is likely to lead to consumer confusion or harm the opponent's interests."

4. Neither party filed evidence; Sandals filed written submissions during the evidential rounds. Neither party asked to be heard or filed submissions in lieu of attendance at a hearing; I will refer to Sandal's submissions as necessary below.

DECISION

5. Section 5(2)(b) of the Act reads 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, or

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

6. 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."

7. In these proceedings Sandals is relying upon the trade mark shown in paragraph 2 above, which constitutes an earlier trade mark under the above provisions. Given the interplay between the date on which Mountain's application was published and the date on which Sandals' registration completed its registration procedure, the registration is not subject to proof of use, as per The Trade Marks (Proof of Use, etc) Regulations 2004.

Section 5(2)(b) – case law

8. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* -BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs QC, expressed the test under this section (by reference to the CJEU cases mentioned) on the basis indicated below:

The CJEU cases

Sabel BV v Puma AG [1998] RPC 199; Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc [1999] RPC 117; Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V. [2000] F.S.R. 77; Marca Mode CV v Adidas AG & Adidas Benelux BV [2000] E.T.M.R. 723; Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case T-6/01; Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH C-120/04; Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P.

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, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

The average consumer and the nature of the purchasing process

9. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' services and then to determine the manner in which these services will be selected by the average consumer in the course of trade. Turning first to the parties' services in class 35 i.e. promotional services relating to holidays (Mountain) and, inter alia, advertising services in relation to travel and hotel accommodation (Sandals), the average consumer for these services is, I think, likely to be a business user in the hotel/travel sector wishing to improve the effectiveness of the way in which it promotes its services. In relation to Sandal's services in classes 39 and the competing services in class 43, the average consumer is most likely to be a member of the general public.

10. While I have no evidence as to the how the average consumer will select the services in class 35, I assume that a business wishing to engage an undertaking to assist in its advertising/promotional efforts will consult, for example, appropriate trade directories and websites and is also likely to liaise with trade contacts. If I am right, it is likely that while visual considerations will be an important factor in the selection process, aural considerations will also play a part. As the selection process is likely to involve

identifying a range of potential suppliers who may then be given an opportunity to “pitch” for the business, and on the basis that the selection of the most appropriate service represents an important business decision in which not insignificant sums are likely to be in play, it suggests to me that the average consumer will pay a relatively high degree of attention to the selection of these services.

11. I now turn to consider how the average consumer will select the services in classes 39 and 43, and in particular travel agency and travel services (in class 39), reservation services for booking accommodation and meals (in class 43) and the provision of holidays also in class 43. As my own experience tells me that in relation to many of these services the average consumer will, for example, review a range of brochures and web sites before making their selection, visual considerations are likely to dominate the selection process. However, as the average consumer is, in my experience, also likely to take into account oral recommendations from, for example, travel operators and friends and family, aural considerations will also play their part, albeit to a lesser extent. Given the importance of leisure time to the average consumer, and in particular the need when selecting a holiday to identify, for example, the correct location, accommodation, facilities and cost from the myriad of options available, I conclude that the average consumer will pay at least a reasonable level of attention when selecting the majority of the services at issue.

Comparison of services

12. The leading authorities on how to determine similarity between goods and services are considered to be *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117 and *British Sugar Plc v James Robertson & Sons Ltd (Treat)* [1996] R.P.C. 281. In the first of these cases the CJEU accepted that all relevant factors should be taken into account including the nature of the goods/services, their intended purpose, their method of use and whether they are in competition with each other or are complementary. The criteria identified in the *Treat* case 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.

13. In reaching a conclusion I will also keep in mind the decision of the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05 i.e.

“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 the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

14. In relation to what constitutes complementary goods and services the comments of the Court of First Instance (now the General Court) in *Boston Scientific Ltd v OHIM* case T-325/06 are relevant:

“82 It is true that goods are complementary if 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 (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 *P Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

15. And finally, insofar as the comparison of services are concerned, the comments of Jacob J in *Avnet Incorporated v Isoact Limited* - [1998] FSR 16 are relevant i.e:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

16. For ease of reference the competing services are as follows:

Sandal's services	Mountain's services
35 - Business and hotel management and hotel administration; advertising services in relation to travel and hotel	35 - Promotional services relating to holidays for families in beach destinations worldwide.

accommodation; operation and supervision of loyalty schemes and incentive schemes.	
39 - Operation of travel agencies, escorting and travel services.	43 - The provision of holidays for families in beach destinations worldwide
43 - Catering services; crèche and nursery facilities; reservation services for booking accommodation and meals; bar services and bar, wine bar, snack bar, coffee bar services, hotel-in and check-out services; electronic information services relating to food and drink.	

17. In its notice of opposition Sandals said of the competing services:

“In particular [Mountain’s services in class 35] are similar to:

- (a) Hotel management and hotel administration [in class 35]
- (b) Advertising services in relation to travel and hotel accommodation [in class 35]”,

and:

“[Mountain’s services in class 43] are similar to:

- (a) Operation of travel agencies; escorting and travel services [in class 39]
- (b) reservation services for booking accommodation and meals [in class 43]
- (c) hotel-in and check-out services [in class 43].”

Class 35

18. As Sandal’s “advertising services in relation to travel and hotel accommodation” would, in my view, be a sub-set of Mountain’s “promotional services relating to holidays...”, the competing services are, on the principles outlined in *Meric*, identical.

Class 43

19. As there is a well established relationship in trade in terms of both users and intended purpose between travel agency/travel services (in class 39) and the provision of holidays (in class 43), the competing services are clearly similar to a high degree.

Comparison of trade marks

20. The trade marks to be compared are:

BEACHES v Beach Famille

21. It is well established that the average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as a whole and does not pause to analyse their various details. In addition, he/she rarely has the chance to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he/she has kept in his or her mind. In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant elements of the respective trade marks and, with that conclusion in mind, I must then go on and compare the respective trade marks from the visual, aural and conceptual perspectives.

Distinctive and dominant components

22. Sandal's trade mark consists of the pluralised form of the common English language word BEACH presented in upper case. The meaning of this word will be so well known to the average consumer I see no need to define it here. As no part of the trade mark is highlighted or emphasised in any way, any distinctiveness it may have must lay in the trade mark as a whole. Mountain's trade mark consists of two separate words presented in title case i.e. the word Beach and the French feminine noun Famille (meaning family). In its notice of opposition Sandals submits:

“2...that due to the similarity to the English language word “family”, consumers in the United Kingdom will understand the word FAMILLEE...as meaning family and will regard the word BEACH as the dominant element of [Mountain's trade mark].”

23. Bearing in mind that French is commonly taught in schools in the UK and that many UK residents visit France either on holiday or for business purposes, the word Famille is likely, in my view, to be known by the average consumer as a French word meaning family. However, even if that is not the case, I agree with Sandals that its similarity to the English word family will mean that the average consumer is, in any case, likely to equate it to the word family.

24. In its counterstatement, Mountain argues that the word Beach is a “generic and descriptive word”. While Sandals argue in both its notice of opposition and submissions that it is the word Beach which is the dominant element of Mountain's trade mark, other

than a reference to the fact that it is the first element of the trade mark, Sandals provides no explanation for its position. Although the word Beach is the first element of Mountain's trade mark, it also appears as a descriptor in its specifications in both classes as does the word families. Considered overall, even if the word Beach is, by virtue of its positioning, a dominant element of Mountain's trade mark, it is not, when considered in the context of the services for which Mountain have applied, a distinctive element. As to the French word Famille, given its positioning as the second element of Mountain's trade mark, the services for which registration is sought, the state of knowledge of the average consumer I have described above, and the similarity of the word to its English equivalent, it too, in my view, is neither a dominant or distinctive element of Mountain's trade mark. In my view, the distinctiveness of Mountain's trade mark lies in the hybrid created by the combination of English and French words rather than the individual elements of which it is made up.

Visual and aural similarity

25. As both parties' trade marks contain the word BEACH in either its singular or plural form, there is, inevitably, a degree of visual and aural similarity between them. However, the presence in Mountain's trade mark of the French word Famille creates a clear point of both visual and aural dissimilarity, resulting, in my view, in only a modest degree of visual and aural similarity between the competing trade marks.

Conceptual similarity

26. The concept Sandal's trade mark will convey is one of more than one beach. The concept Mountain's trade mark is likely to convey is of a "Beach Family", although how the average consumer will interpret this combination is open to debate. Regardless, while I accept that the presence in both parties' trade marks of the words BEACHES/Beach will evoke similar descriptive concepts, in my view, the presence in Mountain's trade mark of the additional word Famille modifies the meaning of the word Beach to such an extent that when considered overall, the competing trade marks, are conceptually dissimilar.

Distinctive character of Sandal's earlier trade mark

27. I must now assess the distinctive character of Sandal's trade mark. The distinctive character of a trade mark can be appraised only, first, by reference to the services for which it is registered and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. 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 services for which it has been registered as coming from a particular undertaking and thus to distinguish those services from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. As Sandals have not filed any evidence of the use it may have made of its earlier trade mark, I have only its inherent

characteristics to consider. Having done so, it appears to me that when considered in the context of any services which relate to, inter alia, travel, holidays or hotels, the word BEACHES is likely to have descriptive connotations. While it is clear from the decision of the CJEU in Case C-196/11 P, *Formula One Licensing BV v OHIM, Global Sports Media Ltd*, that it is not permissible for me to regard Sandal's earlier trade mark as having no distinctive character, whatever distinctive character it may possess, must, in my view, be extremely low.

Likelihood of confusion

28. In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa. As I mentioned above, it is also necessary for me to factor in the distinctive character of Sandal's earlier trade mark as the more distinctive this trade mark is the greater the likelihood of confusion. I must also keep in mind the average consumer for the services, the nature of the purchasing process and that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind.

Earlier in this decision I concluded that:

- the average consumer is a business user in respect of the services in class 35 and a member of the public in relation to the services in classes 39 and 43;
- while both sets of average consumers are likely to select the services by primarily visual means, aural considerations will also play a part in the selection process in all the classes;
- that the average consumer will pay a relatively high degree of attention to the selection of the services in class 35 and a reasonable degree of attention to the selection of the services in classes 39 and 43;
- the competing services are identical or highly similar;
- there is a modest degree of visual and aural similarity between the competing trade marks;
- when considered overall, the competing trade marks are conceptually dissimilar;
- Sandal's earlier trade mark is possessed of an extremely low degree of inherent distinctive character.

29. I must now apply these conclusions to the matter in hand. Having done so, I have no hesitation in concluding that any visual, aural and conceptual similarities which may

arise as a result of both parties' trade marks containing a reference to the word Beach or BEACHES will not, when considered in the context of the meaning of that word in relation to the services in dispute, be sufficient to result in the likelihood of either direct confusion (where one trade mark is mistaken for the other) or for the average consumer to assume that the services originate from undertakings which are economically linked (i.e. indirect confusion).

Conclusion

30. Sandal's opposition to Mountain's application fails in all classes.

Costs

31. As Mountain has been successful it is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 4 of 2007. Using that TPN as a guide, I must keep in mind that Mountain has not been professionally represented in these proceedings. I must also bear in mind that its only involvement has been to review Sandal's notice of opposition, file its counterstatement (the contents of which I have summarised above) and to consider Sandal's one page of written submissions filed during the evidence rounds. Having considered these various factors, I award costs to Mountain in the amount of **£200**.

32. I order Sandals Resorts International 2000 Limited to pay to Mountain High Properties Ltd the sum of **£200**. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 14th day of March 2013

**C J BOWEN
For the Registrar
The Comptroller-General**