

O/166/21

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION
NO. 3451785 BY
HYLGAR PROPERTIES LTD
TO REGISTER:**



THE
MODERNIST

AS A TRADE MARK IN CLASS 43

AND

**OPPOSITION THERETO
UNDER NO. 419892
BY
KONSTANTINOS - ALEXIOS KARATZAS**

Background & Pleadings

1. Hylgar Properties Ltd (“the applicant”), applied to register the (figurative) trade mark shown on the front page of this decision in the United Kingdom on 16 December 2019. It was accepted and published in the Trade Marks Journal on 27 December 2019 in respect of the following services:

Class 43: Services for providing food and drink; restaurants; cafés; bar services; catering; hotels; boarding houses; motels; reservation of accommodation; rental of meeting rooms; arranging and conducting banquets and parties; provision of food and drink for consumption both on and off premises; food and menu planning; food preparation services and food display services; catering services; restaurant services; banqueting services; bar, café coffee shop and cafeteria services; cocktail lounge services; food cooking services; restaurant and bar management services; provision of food and drink at wedding receptions; provision of venues for parties, balls, weddings and events; provision of information, advice and consultancy in relation to all the aforementioned services; arranging of wedding receptions [food and drink]; banqueting services; bar services; bars; cafés; carry-out restaurants; catering; catering (food and drink -); catering for the provision of food and beverages; catering for the provision of food and drink; catering of food and drinks; catering services for hospitality suites; catering services for the provision of food; arranging of wedding receptions [venues]; banqueting services; bar services; bars; cafés; carry-out restaurants; catering; catering (food and drink -); catering for the provision of food and beverages; catering for the provision of food and drink; catering of food and drinks; catering services for hospitality suites; catering services for the provision of food; coffee shops; consultancy services in the field of food and drink catering; corporate hospitality (provision of food and drink);

delicatessens [restaurants]; food and drink catering for banquets; food preparation; hiring of furniture; preparation of food and drink; providing food and drink for guests in restaurants.

2. Konstantinos - Alexios Karatzas (“the opponent”) opposes the application on the basis of Section 5(2)(b) of the Trade Marks Act 1994 (“the Act”).
3. The opponent is the proprietor of the international registration number 1504450 for the following figurative mark:



4. The mark designated the UK on 08 November 2019, and protection of the international registration in the UK was conferred on 18 March 2020 for various services in Class 43. In his notice of opposition, the opponent states that all of the services covered by his earlier mark are relied upon.
5. Under Section 6(1) of the Act, the opponent’s trade mark clearly qualifies as an earlier international trade mark (UK). Further, as the opponent’s earlier mark 1504450 was conferred protection on 08 November 2019, the registration was under five years old at the time that the applicant’s mark was filed on 16 December 2019, and proof of use is not relevant in these proceedings, as per Section 6A of the Act.
6. The opponent in his notice of opposition claims that the services listed in the applicant’s specification in Class 43 are “identical and/or highly similar” to the opponent’s services. Also, the opponent asserts that the respective marks are visually highly similar, and aurally and conceptually identical. The opponent claims that “the marks only differ by minor decorative elements” and that there is a likelihood of confusion. Therefore, registration of the contested mark should be refused under Section 5(2)(b) of the Act.

7. The applicant filed a defence and counterstatement, denying the opponent's claim, albeit particularly focusing on a denial of similarity between the marks.
8. Both parties filed evidence in these proceedings. These will be summarised to the extent that I consider necessary.
9. Neither side filed written submissions nor requested a hearing. Thus, this decision has been taken following a careful consideration of the papers.
10. In these proceedings, the opponent is represented by Gunnercooke LLP and the applicant by Mr Francis McEntegart.
11. Although the UK has left the EU, Section 6(3)(a) of the European (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.

Evidence

Opponent's Evidence

12. The opponent filed a witness statement, dated 08 September 2020, of Ms Rosemary Burbidge, of Gunnercooke LLP, representing the opponent in these proceedings. Ms Burbidge explains that:

“The Opponent is an individual and the owner of The Greek Foundation PC (‘The Greek Foundation’) a company incorporated under the laws of Greece which trades as “The Modernist”. The Greek Foundation is the Opponent’s licensee.”

13. Ms Burbidge in paragraph 10 of the witness statement provides metrics regarding the opponent's advertising campaigns via Google. Specifically, Ms Burbidge states that:

"a. From 13 June 2018 to 20 March 2020, an English language, UK targeted branded Campaign was initiated, that target the keywords "The Modernist" and "The Modernist Thessaloniki". The campaign led to 6,365 impressions and 753 clicks with an average search impression share of 87%.

b. From 13 November 2018 to 13 February 2019, an English language, UK targeted generic Search Campaign was initiated. This campaign targeted keywords such as "Accommodation in Thessaloniki". This campaign led to 359 impressions and 11 clicks with an average search impression share of 86.55%.

c. From 8 June 2018 until it was paused on 5 November 2018 and again from 26 May 2020 to 3 June 2020, a generic Search Campaign was initiated which targeted keywords like "Hotels in Thessaloniki". This campaign led to 3,012 impressions and 101 clicks with an average search impression share of 10.81%."

14. Further, Ms Burbidge filed Exhibit RJB1, the contents of which, so far as is considered necessary, are briefly detailed below:

- a) Pages 1-5: consist of screenshots of an online article, dated 24 August 2020, from the *telegraph.co.uk* website. The exhibited online article is a Telegraph expert review of The Modernist hotel, rating its 'Location', 'Style and Character', 'Service and Facilities', 'Rooms', 'Food and Drink', 'Value for Money'.
- b) Pages 6-9: consist of an undated scanned copy of a magazine article by Monocle titled "BUSINESS – ENTERPRENEURSHIP/GLOBAL - Lively hubs". The article discusses alternative cities to lower the costs

of setting up a business. In this regard, it explores three cities, namely Thessaloniki, Bari, and Porto, through the eyes of new entrepreneurs. In page 7, there is a brief interview with the opponent, discussing Thessaloniki's city life and his decision to set up there and establish The Modernist hotel.

- c) Pages 10-12: consist of an online article, dated 24 June 2020, from the *hospitality-interiors.net* website titled "The Modernist Athens: An ode to understated elegance opening Q3 2020". The article describes the arrival of The Modernist to Athens, focusing on the amenities, design, and qualities. Information such as room capacity, size, and facilities are provided together with a set of photos from the bar, roof garden, and rooms of the hotel.
- d) Pages 13-15: consist of screenshots of an online article, dated 25 June 2020, from the *boutiquehotelnews.com* website titled "The Modernist Athens to open this autumn". As the title suggests, the article covers the opponent's accounts about the expansion of The Modernist, providing information related to its design, capacity, and function as a local hub for creatives.
- e) Pages 16-18: consist of screenshots of an online article, dated 31 July 2018, from the *wallpaper.com* website titled "The Modernist — Thessaloniki, Greece". This article presents the hotel's sophisticated style and design. There are also references to the hotel's food menu and the availability of additional amenities, such as a roof garden, small concept store, and in-room massages. A set of photographs demonstrates various rooms and areas of the hotel.
- f) Pages 19-20: consist of screenshots of an online article, dated 27 January 2019, from the *thetimes.co.uk* website titled "Thessaloniki city guide: the Big Weekend". The article describes some of Thessaloniki's landmark areas and appears to be incomplete due to subscription restrictions.

- g) Pages 21-23: consist of screenshots, dated 28 August 2020, from the webpage *themodernisthotels.com*, publicising the pre-launch (“coming soon”) of the Athens branch. The page details the renovation of the building and site, the design and aesthetic, as well as the available facilities, capacity, and location of the hotel.
 - h) Pages 24-34: consist of screenshots of various social media posts (e.g. Instagram and Facebook), dated between 2018 and 2019. These posts contain various photographs covering a number of rooms and areas of The Modernist, including breakfast buffets and various goods under “The Modernist” branding, such as t-shirts, sleep masks, tote bags, and pins. Moreover, most of the social media posts feature the hashtag “#TheModernist”.
 - i) Pages 35-36: consist of screenshots of five Tweeter posts, ranging between August and December of 2018, demonstrating Twitter users mentioning The Modernist in their posts.
 - j) Page 37: consists of a screenshot, dated 27 August 2020, showing the results of a Google Image search when using the applicant’s figurative mark as a search entry. Only two results appear that are not related to the applicant.
 - k) Pages 38-41: consist of undated screenshots from the *merriam-webster.com* website. These contain the various definitions for the word “modernism”.
15. Ms Burbidge, with reference to Exhibit RJB1 on page 37, claims in paragraph 17 that:

“As use of the Application has not commenced, it is not possible to provide any evidence of actual confusion.”

16. Ms Burbidge sets out in the last part of her statement claims concerning the likelihood of confusion, including the comparison of the services and the marks at issue. She reproduces the text of Exhibit RJB1 on pages 38-41 regarding the meaning of the word “Modernism”. Then she goes on to state that:

“It follows that “The Modernist” is the person who follows modernism and/or expresses themselves in accordance with the principles of Modernism. This is in accordance with the way in which The Greek Foundation uses the sign “THE MODERNIST”. It is likely that the average consumer would take the use of an identical word (as used in the Application) to convey the same meaning.”

17. So far as the phonetic aspect is concerned, Ms Burbidge states that:

“Merriam-Webster notes that “Modernism” is pronounced as mod·ern·ism | mə-dər-ni-zəm. It follows that “The Modernist” would be pronounced as the mod·ern·ist | thə mə-dər-nist.” [sic]

18. In terms of the respective services, Ms Burbidge asserts that:

“The class covered by the Application and the Earlier Mark (i.e. class 43) consists of (at a high level) both hospitality and catering services. The Earlier Mark covers a wide range of “services for providing food and drink” including providing food and drink at weddings, in cafes, in restaurants, as takeaway, via a mobile truck, for hotel guests, in bars etc. There is no meaningful difference between the services in the Earlier Mark and in the Application.”

Applicant’s Evidence

19. The applicant filed a witness statement, dated 16 November 2020, of Mr Francis McEntegart, of MC Legal (UK) Limited, representing the applicant in these proceedings. Mr McEntegart claims that there is a significant and

“self-evident” difference between the respective marks, and that the opponent “does not have a registered trademark for the word only”, thus, he “does not have the monopoly right to the word ‘Modernist’”. In addition, Mr McEntegart claims in paragraphs 5 and 7 that there is no evidence that proves the opponent’s trading activity and use of the mark within the UK in relation to the respective services, as opposed to the applicant’s UK-based facilities.

20. Further, Mr McEntegart contends that the opponent’s dictionary references, provided in the witness statement, as to the word ‘modernism’ “[...] do nothing but to only indicate description of the word and the lack of any distinctiveness in the word alone. This is the reason that both the Applicant and Opponent have created figurative marks which are significantly different both conceptually and visually.”

21. Mr McEntegart argues in paragraph 9 that:

“The Opponent’s representative claims in the witness statement (point 11) that there has been significant attention from the UK consumer based on social media campaigns. However, the Opponent appears to be basing this on the numbers set out in points 10 a, b and c of the witness statement. Initially this may look impressive however, Mr David Burke of the Applicant has provided me with a more accurate breakdown to the reality of Applicant’s campaigns (please see Exhibit HP1). Please note that the low figures are calculated using extremely optimistic conversion rates. So in reality, it is genuinely believed that the actual figures would be even lower than those set out in Exhibit HP1.”

22. In this regard, Mr McEntegart provides evidence with Exhibit HP1, the content of which, so far as is considered necessary, is briefly detailed below:

Exhibit HP1: consists of an undated table with the title “Campaign Analysis”. The table analyses the opponent’s Google Campaign by using conversion rates to calculate the “Average Displays Per Day”, “Average Conversion Rate (Google Display Network 0.53%)”, and “Average Conversion Rate (Google Search Network 2.57%)”. The results for 957 days amounted to 0.58 average clicks per day; 1.5 average sales (GDN); and 7.4 average sales (search).

23. Mr McEntegart states that “[t]he Applicant’s figures on Search Impressions Share is presented as a positive. However, they have actually demonstrated that they are in fact under-performing” [sic]. Further, Mr McEntegart believes that the opponent’s evidence “[...] from newspapers and websites to be advertorials. As such, this information does not indicate a media interest for their hotel, rather publications merely being paid to post news about a business.” In relation to the opponent’s evidence concerning the Instagram posts, Mr McEntegart states that “[...] the median amount of likes is 262 which only equates to 3.75% of the Opponent’s current followers”, adding that “[...] the Applicant is achieving an engagement per follower figure of 181%”. Mr McEntegart then concludes that:

“Based on the clear differences between the two marks, that the businesses operate in different countries, that there is almost no consumer awareness of the Opponent’s mark and/or business, there is no likelihood of confusion by the average consumer. The opponent has no right to the word only of “Modernist”.”

24. That concludes my summary of the evidence filed, insofar as I consider it necessary.

Preliminary issues

25. In various points in his witness statement, Mr McEntegart disputes the territorial effect of the earlier mark in the UK. In particular, Mr McEntegart

posits that the opponent has not used its mark within the UK but “[...] exclusively in Greece [...]”.¹ This entails a twofold examination: the territorial effect and the proof of use requirement of the earlier mark. I will deal with each of these points, starting with proof of use first.

26. As I have already delineated in paragraph 5 of this decision, the opponent’s earlier mark is not subject to the proof of use requirement, based on Section 6A of the Act. His registration does not exceed the five-year period before the filing date of the application. Consequently, the opponent is entitled to rely on his trade mark for the full range of services without having to show that it has been used in the UK.
27. Turning to the territorial effect of the earlier mark, the opponent is the proprietor of an international registration as outlined in paragraph 4 of this decision, with which protection was conferred on 18 March 2020 in the UK. Therefore, as illustrated in paragraph 5 above, such a mark qualifies as an earlier mark enjoying protection in the UK as per Section 6(1) of the Act.

Decision

28. The relevant statutory provisions are as follows:

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

“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,

¹ Paragraphs 5, 7, and 16 are related to that contention.

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

29. The principles, considered in this opposition, stem from the decisions of the European 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 BV* (Case C-342/97), *Marca Mode CV v Adidas AG & Adidas Benelux BV* (Case C-425/98), *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (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-334/05 P) and *Bimbo SA v OHIM* (Case C-519/12 P):

- 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of Services

30. Section 60A of the Act provides:

“(1) For the purpose of this Act goods and services-

(a) are not to be regarded as being similar to each other on the ground that they appear in the same class under the Nice Classification.

(b) are not to be regarded as being dissimilar from each other on the ground that they appear in different classes under the Nice Classification.

(2) In subsection (1), the “Nice Classification” means the system of classification under the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, which was last amended on 28 September 1975.”

31. When making the comparison, all relevant factors relating to the services in the specifications should be taken into account. In *Canon Kabushiki Kaisha*, at paragraph 23, the Court of Justice of the European Union (CJEU) stated 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 complementary.”

32. Guidance on this issue was also given by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons Limited (“Treat”)* [1996] RPC 281. At [296], he identified the following relevant factors:

- “(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.”

33. The General Court confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, paragraph 29, that, even if goods or services are not worded identically, they can still be considered identical if one term falls within the scope of another, or vice versa:

“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 fur 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”.

34. 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."

35. In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), at paragraph 12, Floyd J (as he then was) gave the following guidance on construing the words used in specifications:

"[...] Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless, the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no

justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

36. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

“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.”

37. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU held that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods or services. The General Court clarified the meaning of “complementary” goods or services in *Boston Scientific Ltd v OHIM*, Case T-325/06, paragraph 82:

“[...] 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.”

38. The competing services in Class 43 to be compared are shown in the following table:

Opponent’s Services	Applicant’s Services
<i>Room hire services; rental of rooms as temporary living accommodations; rental of transportable buildings; rental of temporary accommodation; temporary room hire; arranging temporary housing accommodations; room booking; temporary accommodation reservations; reservation of rooms for travellers; booking of temporary accommodation via the Internet; rental of tents; hotels,</i>	<i>Services for providing food and drink; restaurants; cafés; bar services; catering; hotels; boarding houses; motels; reservation of accommodation; rental of meeting rooms; arranging and conducting banquets and parties; provision of food and drink for consumption both on and off premises; food and menu</i>

<p>hostels and boarding houses, holiday and tourist accommodation; arranging and providing temporary accommodation; provision of caravan park facilities; provision of information relating to the booking of accommodation; providing information about temporary accommodation services; providing information about temporary accommodation via the Internet; providing temporary housing accommodations; provision of temporary furnished accommodation; operating membership accommodation; accommodation exchange services [time share]; accommodation services for functions; emergency shelter services [providing temporary housing]; holiday accommodation services; accommodation bureau services; consultancy provided by telephone call centers and hotlines in the field of temporary accommodation; agency services for the reservation of temporary accommodation; reception services for temporary accommodation [management of arrivals and departures]; hospitality services [accommodation]; accommodation booking agency services [time share]; event facilities and temporary office and meeting facilities; rental of rooms for social functions; accommodation letting agency services [time share]; tour operator services for the booking of temporary accommodation; travel agency services for booking accommodation; leasing of metal and non-metal transportable buildings; pubs; arranging of meals in hotels; arranging of wedding receptions [food and drink]; banqueting services; cafeteria services; snack-bar services; take-out restaurant services; delicatessens [restaurants]; café services; cocktail bar; making reservations and bookings for</p>	<p>planning; food preparation services and food display services; catering services; restaurant services; banqueting services; bar, café coffee shop and cafeteria services; cocktail lounge services; food cooking services; restaurant and bar management services; provision of food and drink at wedding receptions; provision of venues for parties, balls, weddings and events; provision of information, advice and consultancy in relation to all the aforementioned services; arranging of wedding receptions [food and drink];banqueting services; bar services; bars; cafés; carry-out restaurants; catering; catering (food and drink -);catering for the provision of food and beverages; catering for the provision of food and drink; catering of food and drinks; catering services for hospitality suites; catering services for the provision of food; arranging of wedding receptions [venues]; banqueting services; bar services; bars; cafés; carry-out restaurants; catering; catering (food and drink -);catering for the provision of food and beverages; catering for the provision of food and drink; catering of food and drinks; catering services for hospitality suites; catering services for the provision of food; coffee shops; consultancy services in the field of food and drink catering; corporate hospitality (provision of food and drink); delicatessens [restaurants]; food and drink catering for banquets; food preparation; hiring of furniture; preparation</p>
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<p>restaurants and meals; booking of restaurant seats; canteen services; bar services; beer bar services; preparation and provision of food and drink for immediate consumption; food preparation services; food preparation for others on an outsourcing basis; providing accommodation for functions; providing reviews of restaurants and bars; providing reviews of restaurants; providing information in the nature of recipes for drinks; provision of information relating to bars; provision of information relating to the preparation of food and drink; provision of information relating to restaurants; cookery advice; providing information about bar services; restaurant services; providing of food and drink via a mobile truck; providing food and drink in bistros; providing food and drink for guests in restaurants; providing food and drink in restaurants and bars; providing food and drink for guests; pizza parlors; serving food and drinks; hotel restaurant services; corporate hospitality (provision of food and drink); ice cream parlour services; mobile restaurant services; cocktail lounge services; restaurant reservation services; grill restaurants; hospitality services [food and drink]; teahouse services; personal chef services; travel agency services for booking restaurants; services for the preparation of food and drink; providing drink services; consultancy services relating to food; restaurant information services; night club services [provision of food]; beer garden services; bistro services; cocktail lounge buffets; bar and restaurant services; accommodation reservation services [time share]; restaurant services provided by hotels.</p>	<p>of food and drink; providing food and drink for guests in restaurants.</p>
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41. In the notice of opposition, the opponent states that:

“The services covered by the Application are identical with or similar to the services covered by the Earlier Mark. Broadly speaking, both concern hospitality and food and beverage services. [...] The Applicant has applied to register the Application in the exact same class services (i.e. class 43) as the Opponent’s marks. By way of example, “*reservation of accommodation*” in class 43 of the Application is identical to the services in the Earlier Mark. Furthermore, “*rental of meeting rooms, arranging and conducting banquets and parties, provision of food and drink for consumption both on and off premises*” are near identical and/or highly similar services to the Earlier Mark.”

42. The applicant, in its notice of defence, has not denied the identity/similarity of the services at issue.
43. The opponent mentions that the application is filed in the exact same Class as his. For the avoidance of doubt, goods and services are not to be regarded as similar simply because they fall in the same Class pursuant to Section 60A(1)(a) of the Act.
44. The contested services in Class 43 contain a wide range of services in terms of hospitality, including mainly services that aim to the arrangement and conduct of catering with the provision of food and drink and temporary accommodation. For the purpose of considering the issue of similarity of services, it is permissible to consider groups of terms collectively where they are sufficiently comparable to be assessed in essentially the same way for the same reasons.²

² *Separode Trade Mark* BL O-399-10 and *BVBA Management, Training en Consultancy v BeneluxMerkenbureau* [2007] ETMR 35 at paragraphs 30 to 38.

Hotels; boarding houses; reservation of accommodation; rental of meeting rooms.

The applicant's contested terms relating to temporary accommodation services in Class 43 are identical to the opponent's services "hotels; boarding houses; temporary accommodation reservations; reservation of rooms for travellers; event facilities and temporary office and meeting facilities", on the basis that they are identically worded, or are ostensibly the same.

Services for providing food and drink; restaurants; cafeteria services; bar services; cocktail lounge services; cafés; bar, café coffee shop and cafeteria services; bars; cafés; provision of food and drink at wedding receptions; restaurant services; arranging of wedding receptions [food and drink]; corporate hospitality (provision of food and drink); delicatessens [restaurants]; food preparation services [...]; preparation of food and drink; providing food and drink for guests in restaurants.

45. In considering the terms above relating to food and drink services, identical counterparts exist in the opponent's specification, namely "hospitality services [food and drink]; serving food and drinks; restaurant services; café services; cafeteria services; bar services; arranging of wedding receptions [food and drink]; corporate hospitality (provision of food and drink); delicatessens [restaurants]; food preparation services; services for the preparation of food and drink; providing food and drink for guests in restaurants". Therefore, they are self-evidently identical.

Motels; provision of food and drink for consumption both on and off premises; food and menu planning; [...] food display services; food cooking services; restaurant and bar management services; provision of venues for parties, balls, weddings and events; provision of information,

advice and consultancy in relation to all the aforementioned services;³ bar services; carry-out restaurants; food preparation; hiring of furniture.

46. Where there are no identically worded contested terms, as exemplified above, the opponent's specification includes a range of broad terms, such as "room hire services", "rental of rooms as temporary living accommodations", "providing food and drink in restaurants and bars", "hospitality services [food and drink]", "corporate hospitality (provision of food and drink)", "event facilities and temporary office and meeting facilities", "restaurant services", "café services", "restaurant information services", "cookery advice" and "consultancy services relating to food" that will encompass all of the applicant's services, including "hiring of furniture", and will be regarded as identical on the *Merit* principle.
47. If I am wrong on identity of the applicant's "hiring of furniture" services, the opponent's terms "room hire services", "event facilities and temporary office and meeting facilities", and "leasing of metal and non-metal transportable buildings" cover a wide range of services related to the rental of rooms and venues for various occasions. Such services typically include the desired furniture and equipment necessary for either temporary accommodation or the organisation of events. Taking into consideration that the applicant has not denied similarity of the respective services, I find them to be highly similar due to the same nature, use, purpose, and trade channels.

Catering; arranging and conducting banquets and parties; food and menu planning; catering services; banqueting services; banqueting services;

³ The term refers to the services preceding it in the specification, namely "services for providing food and drink; restaurants; cafés; bar services; catering; hotels; boarding houses; motels; reservation of accommodation; rental of meeting rooms; arranging and conducting banquets and parties; provision of food and drink for consumption both on and off premises; food and menu planning; food preparation services and food display services; catering services; restaurant services; banqueting services; bar, café coffee shop and cafeteria services; cocktail lounge services; food cooking services; restaurant and bar management services; provision of food and drink at wedding receptions; provision of venues for parties, balls, weddings and events".

carry-out restaurants; catering; catering (food and drink -);catering for the provision of food and beverages; catering for the provision of food and drink; catering of food and drinks; catering services for hospitality suites; catering services for the provision of food; banqueting services; carry-out restaurants; catering; catering (food and drink -);catering for the provision of food and beverages; catering for the provision of food and drink; catering of food and drinks; catering services for hospitality suites; catering services for the provision of food; consultancy services in the field of food and drink catering; food and drink catering for banquets.

48. The applicant's catering services concern the preparation and serving of food and drinks at social or business events, such as weddings or gatherings, usually conducted in remote sites or other locations. Therefore, such services can be equally encompassed by the opponent's terms "hospitality services [food and drink]", "serving food and drinks", "providing food and drink in restaurants and bars", and "food preparation for others on an outsourcing basis". Therefore, they are considered identical based on the *Meric* principle or else highly similar.

Average Consumer and the Purchasing Act

49. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods and services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. In *Hearst Holdings & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), at paragraph 70, Birss J described the average consumer in these terms:

"The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of

that constructed person. The word ‘average’ denotes that the person is typical. The term ‘average’ does not denote some form of numerical mean, mode or median.”

50. In relation to the respective services under Class 43, the average consumer will be a member of the general public or a business user. The level of attention the average consumer will display when selecting the services at issue varies. For example, a low degree of attention more likely applies when one selects a venue for a cup of coffee or a fast food meal. In contrast, a higher than average level of attention (but not the highest) will be paid when selecting a venue for an important event, such as social or corporate events. In this instance, the selection process is more elaborated. Also, there will be an average level of attention during the selection process of temporary accommodation services. The consumers typically conduct market research before choosing such services, likely involving either agencies or online platforms that provide offers, reviews, and rankings.
51. When the average consumer encounters such services, this will be primarily on a visual level, such as signage on premises, websites, newspapers, advertisements, and reviews on the press, either hardcopy or online. However, the possibility for oral use must also be recognised for various types of hospitality services, such as oral recommendation and use over the telephone.

Comparison of Trade Marks

52. 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.”

53. 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.

54. The marks to be compared are:

Earlier mark	Contested mark
	

Overall Impression

55. The overall impression of the contested mark resides more strongly in the word elements of which it is composed, namely “THE MODERNIST”; the stylisation and colour elements will all play a lesser, but not negligible, role. Whilst again the overall impression of the earlier mark is more strongly dominated by the words “THE MODERNIST”, the device is far from negligible due to its size and position in the mark.

Visual comparison

56. In terms of visual similarity, both figurative marks share the same dominant component, “THE MODERNIST”, with the article “THE” positioned above the word “MODERNIST” in both marks. The contested mark differs in stylisation from the earlier mark, featuring coloured font and letters. The respective marks further differ by the inclusion of a device in the opponent’s mark. The average consumer is likely to view it either as a graphical device or as the letter M with an elongated crotch, or as the opponent describes it “the hammock “M” logo”. Taking everything into account, including the overall impression, the respective marks are similar to a medium degree.

Aural comparison

57. I concur with the pronunciation proposed by the opponent. The dominant part in both marks will be articulated as “THUH MODUHNIST”. I do not consider that the average consumer will attempt to articulate the device element in the earlier mark. But if they do, they will pronounce it as the letter “M”. Overall, I find the marks to be aurally identical, or highly similar if the device in the earlier mark is articulated.

Conceptual comparison

58. As to the words “THE MODERNIST”, which I have found to play a dominant role in both marks, I note that the opponent asserts that they are “likely to be understood as a branch of modernism whereby the company offers some form of ‘modern’ service and/or product.” In addition, a definition, provided with the opponent’s witness statement, describes that a “modernist” is “the person who follows modernism and/or expresses themselves in accordance with the principles of Modernism.”
59. The word “modernist” is a dictionary word and, according to the Oxford English Dictionary, it is defined as “a supporter or follower of modern ways

or methods”. Whilst the average consumer will not know every dictionary word, I consider that the average consumer in the UK will immediately recognise this as a known word and ascribe a conceptual meaning to the words “THE MODERNIST” as a whole, along the lines of the dictionary definition. The same meaning attributable to the opponent’s mark will be conveyed to the applicant’s mark.

60. However, the earlier mark has a device (the hammock M) not present in the contested mark, which could create a degree of conceptual difference. Nevertheless, I am doubtful that many consumers would give that device element any conceptual meaning. Therefore, I find that the marks are conceptually identical, but even if the device was conceptualised, they are still highly similar on account of the most dominant elements of the marks having the same meaning.

Distinctive Character of the Earlier Trade Mark

61. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97, paragraph 22 and 23, the CJEU stated that:

“In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark;

how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

62. Registered trade marks possess varying degrees of inherent distinctive character from the very low, because they are suggestive of, or allude to, a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities.
63. As noted above, the earlier mark consists of the word elements “THE MODERNIST” and a device. The word element is a dictionary word with the meaning that I have identified in paragraph 59 above. The average consumer is likely to be familiar with the term, and I accept there is a suggestive/allusive quality to the mark, and it may suggest a modern type of establishment. That said, I consider it to be only mildly allusive given the whole construction of the words, so its distinctiveness falls between low and high, a medium or average level. I bear in mind that only the common elements between the respective marks should be considered to evaluate the relevant (to the question of confusion) distinctiveness.⁴ In this regard, the device element adds to the distinctiveness of the earlier mark, but I note that there is no counterpart in the contested mark so this is unlikely to increase the likelihood of confusion.
64. The level of distinctiveness of a mark may be enhanced through use. Although the opponent has provided some evidence, this is mainly comprised of advertorial articles together with Google metrics of advertising campaigns and social media posts. However, I find this

⁴ See *Kurt Geiger v A-List Corporate Limited*, BL O-075-13.

evidence to be minimal and, thus, insufficient to justify enhanced distinctiveness. I cannot find that such use as evidenced will have had a material impact upon the average consumer in the UK.

Likelihood of Confusion

65. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred in paragraph 29 of this decision. Such a global assessment is not a mechanical exercise. I must also have regard to the interdependency principle, that a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa.⁵ It is essential to keep in mind the distinctive character of the opponent's trade mark since the more distinctive the trade mark, the greater the likelihood of confusion. I must also keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon imperfect recollection.⁶
66. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. Indirect confusion is where the consumer notices the differences between the marks but concludes that the later mark is another brand of the owner of the earlier mark or a related undertaking. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Iain Purvis Q.C., sitting as the Appointed Person, explained that:

“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

⁵ See *Canon Kabushiki Kaisha*, paragraph 17.

⁶ See *Lloyd Schuhfabrik Meyer*, paragraph 27.

the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.”

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (‘26 RED TESCO’ would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as ‘LITE’, ‘EXPRESS’, ‘WORLDWIDE’, ‘MINI’ etc.)

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (‘FAT FACE’ to ‘BRAT FACE’ for example).”

I note that the categories identified above by Mr Purvis Q.C. are not exhaustive.⁷

⁷ *Thomson Hotels LLC v TUI Travel Amber E&W LLP* BL- O-440/14 at paragraph 29.

67. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, James Mellor Q.C., sitting as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

68. Earlier in this decision I have concluded that:

- the respective services are identical or else highly similar;
- the average consumer of the parties' services is a member of the general public or a business user. The level of attention paid will range from lower to higher than average, and the selection process is predominantly visual without discounting aural considerations;
- the competing marks are visually similar to a medium degree; aurally and conceptually identical or highly similar when the device element of the earlier mark is taken into account by the average consumer;
- the earlier mark has an average degree of distinctive character.

69. Taking all of the above into consideration, the factors persuade me that there is no likelihood of direct confusion. I find that, notwithstanding the imperfect recollection, the average consumer will recall the visual differences, recognising particularly the presence/absence of the device in the respective marks. Therefore, the average consumer will not mistake the applicant's mark for the opponent's on visual inspection.

70. In terms of indirect confusion, the average consumer, having identified that the marks are different, will assume that the respective marks originate from the same or economically linked undertakings. In my view, although the average consumer will identify the visual differences between the marks, they will observe the identity in the common word elements "THE

MODERNIST" of the respective marks and erroneously conclude that the services are offered by the same or an economically linked undertaking to the earlier mark. Given the average distinctiveness of the earlier mark coupled with the identity (or otherwise high similarity) between the services at issue, the contested mark could be perceived as a brand or sub-brand of the earlier mark. Consequently, both marks will be perceived as a brand variation of each other, giving rise to a likelihood of indirect confusion.

Outcome

71. The opposition under Section 5(2)(b) of the Act is successful in its entirety. Therefore, subject to appeal, the application will be refused.

Costs

72. The opponent has been successful and is entitled to a contribution towards his costs. In the circumstances, I award the opponent the sum of £850 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

£100	Official opposition fee
£250	Filing a notice of opposition and considering the counterstatement
£500	Filing and considering evidence
£850	Total

73. I, therefore, order Hylgar Properties Ltd to pay Konstantinos - Alexios Karatzas the sum of £850. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 15th day of March 2021

Dr Stylianos Alexandridis
For the Registrar,
The Comptroller General