BLO-278-22

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK
APPLICATION NO. 3286686 NOW
BY THE CORYN GROUP II, LLC
(Applicant/Respondent)

AND

IN THE MATTER OF OPPOSITION NO. 412457 THERETO
BY NH HOTEL GROUP, S.A
(Opponent/Appellant)

AND

IN THE MATTER OF
AN APPEAL TO THE APPOINTED PERSON
AGAINST DECISION NO. O/553/21
OF MS. S HITCHINGS DATED
23 JULY 2021

The Opponent/Appellant was represented throughout by Page, White & Farrer Limited

The Applicant/Respondent was represented throughout by Novagraff UK but took no part in the Appeal.

The Opponent filed written submissions on 5th January 2022.

DECISION

Introduction

1. This is an appeal against a decision (BL O/553/21) of Ms S Hitchings, sitting as a Hearing Officer on behalf of the Registrar of Trade Marks, dated 23rd July 2021. By that decision the Hearing Officer rejected Opposition No. 412457 by the Opponent in its entirety. She ordered the Opponent to pay the Applicant £900 as a contribution towards its costs.

The Application and the Opposition

2. On 31st January 2018 the Applicant filed application No. 3286686 to register the trade mark NOW (the "Contested Mark") for *"Resort hotels; hotel services; hotel reservation services;*

providing personalized information about hotels and temporary accommodations for travel via the Internet and phone" in class 43.

The application was published on 2nd March 2018.

3. The Opponent filed opposition on 10th May 2018. Objection to registration was taken under section 5 (2) (b) of the Trade Marks Act 1994 ("the Act"). Section 5 (2) (b) of the Trade Marks Act 1994 provides that a trade mark shall not be registered if, because 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 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.

4. The opposition was based on the following registered trade marks (the "Earlier Marks"):

   - EUTM Registration No. 0039161111 NHOW (the "'111 Earlier Mark") dated 11th October 2005 and, in so far as it is relevant, registered for:
     Class 41 *Arranging and conducting of congresses and conferences.*
     Class 43 *Hotel services; hotel reservations; providing of food and drink; temporary accommodation*.

nhow

"Services for providing food and drink; Temporary accommodation; accommodation agencies (hotels, boarding-houses); Rental of temporary accommodation; Rental of tents; Rental of transportable buildings; Rental of facilities for meetings, conferences, exhibitions, shows, conventions, seminars, symposiums and training workshops; Rental of chairs, tables, table linen, glassware; Tourist homes; Providing campground facilities; Day-nurseries [creches]; Hotel services; Motel services; Temporary accommodation reservations; Hotel reservations; Boarding house bookings; Boarding for animals; Retirement homes; Self-service restaurants; Bar services; Snackbars; Cafes; Cafeterias; Catering; Canteen services".

   - EUTM Registration No. 012249181 "Nhow – elevate your stay" (the "'181 Earlier Mark") dated 19th March 2014 based on:

Class 35: *"Publicity and sales promotion services; Business management; Business administration; Office functions; Customer loyalty services for commercial, promotional or advertising purposes; Dissemination of advertisements; Marketing services; Organisation of trade fairs and exhibitions for commercial or advertising purposes; Import and export services; Franchises, namely consultancy and assistance in the management, organisation and promotion of business relating to commercial or industrial business management assistance".*

Class 43: *"Services for providing food and drink; Temporary accommodation; Providing hotel accommodation; Rental of temporary accommodation; Rental of tents; Rental of transportable buildings; Rental of facilities for meetings, conferences, exhibitions, shows, conventions, seminars, symposiums and training workshops; Rental of chairs, tables, table linen, glassware; Tourist homes; Providing campground facilities; Day nurseries [creches]; Hotels; Motels; Room reservation services; Hotel reservations; Boarding house bookings; Animal boarding; Retirement homes; Self-service restaurants; Bar services; Snack bars; Cafeterias; Cafeterias; Catering services for the provision of food; Canteens".*

5. The Applicant requested proof of use for EUTM No. 3916111 NHOW. The Opponent filed evidence. Both parties filed written submissions. No hearing was requested, however, and the Decision was taken "on the papers".

The Hearing Officer's Decision

Genuine Use and Fair Specification – EUTM 3916111 NHOW

6. The Hearing Officer determined at [47] that EUTM 3916111 NHOW had been put to limited genuine use resulting in the opponent being able to rely on this registration for only: *"Hotel services; temporary accommodation".*

Comparison of Services

7. The Hearing Officer dealt with this from [50-64]. In summary, the Hearing Officer concluded that the Applicant's *"Resort hotels; hotel services"* were identical to the Opponent's services. *"Hotel reservation services"* were similar to a low-medium degree to the Opponent's *"hotel services"* in the '111 Earlier Mark, and identical to *"hotel reservations"* in the other two earlier marks. *"Providing personalized information about hotels and temporary accommodations for travel via the internet and phone"* were similar to the Opponent's services under all three earlier marks to a "low to medium degree".

The Average Consumer and the Purchasing Act

8. The Hearing Officer identified the Average Consumer of the services in issue as being a member of the general public using the services for leisure or business. She found that the purchases would primarily be made by visual means but that there may also be aural perception. The level of attention paid would vary dependent on a range of factors. It would, in the Hearing Officer's view, be *"higher than average, although not at the highest level"* [68].

Comparison of Marks

Overall Impression

9. At [74] the Hearing Officer found, not surprisingly, that the Contested Mark's overall impression was the word NOW itself.

10. In the same way, the impression of the '111 Earlier Mark was simply the word NHOW [75].

11. As for the '223 Earlier Mark, the font and pink colouring of contributed to its impression but not so was to detract from the dominance of the word "nhow" [76].

12. The '181 Earlier Mark "Nhow – elevate your stay" consisted of the dominant word "Nhow", plus a strapline which made only a lesser contribution to overall impression [77].

Visual Similarity

13. In terms of visual similarity, the Hearing Officer determined [78-80] that the Contested Mark and the '111 Earlier Mark were similar to a medium degree. The other 2 Earlier Marks were visually similar to a "low to medium degree".

Phonetic Similarity

14. Aurally, the Hearing Officer identified at [81] that to some consumers, the '111 and '223 Earlier Marks would be aurally identically to NOW, the "H" in NHOW being silent. However, other consumers would split the Contested Mark into 2 syllables, pronouncing it EN HOW, rendering it aurally similar to NOW to no more than a medium degree.

15. As for the '181 Earlier Mark, the Hearing Officer held [82]:

> *"…some consumers will only voice the first word "nhow", pronounced as either "naʊ" or "en-haʊ", and to those consumers, the contested marks will be either aurally identical, or similar to no more than a medium degree, respectively. However, although the hyphen would not be articulated, other consumers will voice the sign in its entirety, as either "now ("naʊ") elevate your stay" or "N-how ("en-haʊ") elevate your stay". In whichever way the*

first word is pronounced by these consumers, to my mind there is only a low degree of aural similarity between the competing marks.

Conceptual Similarity

16. As to conceptual similarity, the Hearing Officer said at [83]:

"A proportion of consumers may see the word "NHOW" in the earlier marks as an unusual misspelling of the word "NOW", and to those consumers the marks will be conceptually identical. In my view, it is more likely that the average consumer would assume "NHOW" to be an invented word with no conceptual identity. As the word "NOW" has a clear and specific meaning, I find there to be no conceptual similarity between the contested marks."

Distinctive Character of the Earlier Marks

17. Again, for the '111 and '223 Earlier Marks the Hearing Officer distinguished between two groups of consumers, namely those who would see NHOW as a misspelling of NOW, and those who would see NHOW as an invented word. She concluded it was "*more likely that a significant proportion of consumers will see "NHOW" as an invented word, which I do not consider to be either descriptive or allusive of the services*." As a result, these 2 marks were held to be of medium distinctive character to those who perceived NHOW as a misspelling of NOW, but highly distinctive to those who perceived it as an invented word. distinctive [88].

18. In contrast, the Hearing Officer found [89] that the descriptive strapline in the '181 Earlier Mark rendered it distinctive to a medium degree.

Likelihood of Confusion

19. The Hearing Officer concluded at [96-98] that there was no likelihood of direct or indirect confusion and that the opposition failed in its entirety.

Overall Conclusion

20. The opposition failed in full, with costs of £900 for the Applicant.

The Appeal

21. The Opponent filed an appeal on 19th August 2021. The grounds of appeal were, in brief, as follows.

Ground 1 – Level of Attention of the Average Consumer

22. It was said that the Hearing Officer should have concluded that "*the level of attention (of the Average Consumer) is only average and there is no basis to justify a higher level of attention".*

Ground 2 – Comparison of Marks

Visual Similarity

23. In essence, the complaint was that the Hearing Officer erred in finding that the difference between the marks arising from the single letter H was sufficient to differentiate the marks. It is said she should have found the '111 Earlier Mark was visually similar to the Contested Mark to a "medium-high degree" and that the other two Earlier Marks were visually similar to a "medium degree'.

Aural Similarity

24. The Opponent complained that the "vast majority" of consumers would pronounce the NHOW element of the Earlier Marks identically to the Contested Mark.

Conceptual Similarity

25. The Hearing Officer, having held that a proportion of consumers would see NHOW as equivalent to NOW, erred in finding that there was no conceptual similarity for some consumers.

Ground 3 – Likelihood of Confusion

26. The 3rd Ground of Appeal is that the Hearing Officer erred in her conclusions as to the likelihood of direct confusion, given her findings that the marks may be pronounced identically and considered to have the same meaning by some consumers. There was a further error with regard to indirect confusion given (in essence) there was a change of one element which is consistent with a brand extension for a highly distinctive mark.

27. There was no Respondent's Notice, and the Applicant played no part in the Appeal. The Opponent opted to proceed by way of written arguments rather than a Hearing and those arguments, prepared by Page, White & Farrer Limited, were submitted on 5th January 2022. I am grateful for those submissions.

Standard of Review

28. The Opponent cited *Abanka DD v Abanca Corporation* [2018] Bus LR 612 and its endorsement of the principles set out in *TT Education v Pie Corbett* [2017] ETMR 26 as the appropriate standard. An appeal against decisions taken by the Registrar is by way of review. Neither surprise at a

Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffice to justify interference in this sort of appeal. As regards matters of factual evaluation, appellate tribunals should not interfere unless the disputed conclusion is outside the bounds within which reasonable disagreement is possible. In order to intervene I must be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong - Reef *Trade Mark* [2003] RPC 5; and *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671 at [78] to [81].

29. As to whether a decision is "wrong", the Opponent emphasised the following passage from *Abanka* at [24] (incorrectly cited as [23]) by Mr Daniel Alexander QC sitting as a Deputy Judge of the Chancery Division that *"the real question, as all the cases say, is whether the decision in question was wrong in principle or was outside the range of views which could reasonably be taken on the facts…".*

30. I bear these principles in mind.

Merits of the Appeal

31. The Opponent focussed its submissions on what it considered to be its strongest case, namely the '111 Earlier Mark (this being the plain word NHOW). In my view the Opponent cannot hope to do better in respect of the other Earlier Marks and so the Appeal stands or falls with the '111 Earlier Mark. I approach this Decision accordingly.

Ground 1 – Level of Attention of the Average Consumer

32. Regarding the average consumer's level of attention, the Opponent pointed me first to the findings of the Hearing Officer at [68], where she stated (emphasis added):

"There is likely to be a reasonable level of attention during the selection process, as consumers will choose the services in relation to the location of the hotel and the facilities that are being offered, as well as taking into consideration the budget available to them. The level of attention paid will be commensurate with the standard and cost of the hotel, and particularly in relation to the occasion for which the services are being engaged, for example, by business customers for either individual or block bookings, or for leisure purposes such as a city break or luxury holiday. The level of attention will therefore vary, although overall it will, in my view, be higher than average, although not at the highest level."

33. The Opponent then directed me to paragraph [94] where, as part of her summary of findings to be taken into account in her assessment of a likelihood of confusion, the Hearing Officer says (emphasis added):

"The level of attention of the average consumer, being a member of the general public, will range between a reasonable level to a high level of attention when selecting the services, dependent on the location, the facilities available, the standard of the services chosen, the cost, and the occasion;"

34. The Opponent focussed on the different phrasing of the "level of attention" described in the two paragraphs:
[68] – *The level of attention will therefore vary, although overall it will, in my view, be higher than average, **although not at the highest level***

*[94] - The level of attention of the average consumer, being a member of the general public, will range between **a reasonable level to a high level of attention**"*

35. The Opponent argues that *"in considering the matter from the perspective of the average consumer who will pay a reasonable to high level of attention, the Hearing Officer has ignored her own findings that the level of attention is not at the highest level".* It is submitted that the Hearing Officer therefore erroneously applied a higher standard in her assessment of the likelihood of confusion than was warranted by her findings in [68], which in turn adversely and wrongly affected that assessment.

36. I do not agree. At [68] the Hearing Officer clearly indicates that the level of attention will vary from "reasonable" to "high" based on various factors but concludes (as she was perfectly entitled to do) that it will not be *"at the highest level".* Her summary in [94] is entirely consistent with that assessment and there is no basis for inferring that her reference there to a "high" level of attention involves some still higher – or highest - level.

37. **I therefore reject Ground 1 of the Appeal.**

Ground 2 – Comparison of Marks
Ground 3 – Likelihood of Confusion

38. Whilst the Notice of Appeal dealt with these Grounds separately, the written submissions effectively combined them into a single ground focussed on Ground 3.

39. The Appeal included the claim that the Hearing Officer erred in her findings as to the correct level of visual identity between the parties' marks. The Opponent did not elaborate on this in its written submissions, although it did repeat the Hearing Officer's finding that the '111 Earlier Mark and the Contested Mark were similar to a "medium degree".

40. Absent any reasoned argument to the contrary, I view this aspect of the appeal as no more than a disagreement with the Hearing Officer's findings as to the level of visual similarity. The Hearing Officer was perfectly entitled to reach the conclusion she did, and **I reject this limb of the appeal accordingly.**

41. That aside, the main thrust of these grounds of appeal and submissions was as follows. At [81] the Hearing Officer found that some consumers would pronounce NHOW identically to NOW, whereas some would not. Furthermore, at [83] the Hearing Officer found that to some consumers NHOW would be seen as a misspelling of NOW and that to them the marks would be conceptually identical.

42. Given the findings of phonetic/conceptual identity for some consumers it is said that the Hearing Officer then erred in finding that there was no likelihood of confusion, because she considered the matter only from the perspective of consumers for whom the marks would be conceptually different.

43. In my view, these criticisms have merit. The Hearing Officer clearly acknowledged that there were two groups of relevant average consumers, those for whom there is phonetic/conceptual identity, and those for whom there is not. It is well established that where there are different perceptions amongst different consumer groups, there can nevertheless be a finding of a likelihood of confusion where one of those groups constitutes a significant proportion of average consumers who would be confused, even if that proportion is not a majority. To this end, see *Interflora Inc & Anor v Marks and Spencer Plc* (Rev 1) [2014] EWCA Civ 1403, per Kitchin LJ at [129]:

"129 ...we do not accept that a finding of infringement is precluded by a finding that many consumers, of whom the average consumer is representative, would not be confused. To the contrary, if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then we believe it may properly find infringement.

130. In answering this question we consider the judge was entitled to have regard to the effect of the advertisements upon a significant section of the relevant class of consumers, and he was not barred from finding infringement by a determination that the majority of consumers were not confused."

44. As to the phonetic perception of the parties' marks, at [81] the Hearing Officer made no finding as to what proportion of consumers would see them as identical, merely identifying that some would.

45. Regarding conceptual similarity, having acknowledged some consumers would regard the marks as conceptually identical, the Hearing Officer *did* say at [83] *"In my view it is more likely the average consumer would assume "NHOW" to be invented word with no conceptual identity between the contested marks".* This could be taken to be a conclusion, on the balance of probabilities, that the average consumer overall would favour this view, but it is not clear that those perceiving conceptual identity were excluded. As will be seen below, it seems they were not.

46. Moving on to the assessment of the likelihood of confusion, after noting the guidance of Mr. Iain Purvis Q.C. sitting as the Appointed Person in *L.A Sugar v Back Beat Inc* (BL O/375/10) regarding the distinction between "direct" and "indirect" confusion, the Hearing Officer went on to summarise her factual findings at [94] including the following:

    - *"The services will be selected by primarily visual means, although I do not discount aural considerations; …*
    - *Marks 1 and 2 are aurally identical to the contested mark where the letter "H" is not articulated, and similar to no more than a medium degree where they are pronounced as two syllables…*
    - *Where the word "NHOW" in the earlier marks is seen as an unusual misspelling of "NOW", the competing marks are conceptually identical, however, where "NHOW" is seen as an invented word, there is no conceptual similarity;"*

47. From this it is clear the Hearing Officer continued to have in mind the possibility that different groups of average consumers would have different perceptions. She had not excluded that group/those groups to whom the marks would be phonetically and/or conceptually identical so those had to be considered in the global assessment.

Direct Confusion

48. The Hearing Officer then proceeded to assess the likelihood of direct confusion at [96]:
"Taking into account the guidance of Mr Iain Purvis Q.C. on likelihood of confusion, while allowing that the average consumer is unlikely to see the marks side-by-side and will therefore be reliant on the imperfect picture of them they have kept in their mind, I consider it unlikely that they would mistake one mark for the other. In my view, considering the brevity of the marks, as per Deutsche Bahn, the average consumer will notice the visual differences between them, as well as noting that the applicant's mark is a dictionary defined word with a clear concept, while the earlier marks when viewed as an invented word hold no conceptual identity. Notwithstanding the high degree of distinctive character of the earlier Marks 1 and 2, or the identical and similar services, I therefore find that there is no likelihood of direct confusion" (emphasis added).

49. What is missing from this assessment is any consideration of the likelihood of confusion amongst that group of consumers for whom the Hearing Officer had held there was phonetic and conceptual identity. The Hearing Officer considers only the visual issues and the group of consumers who perceive element NHOW as a "non-conceptual" invented word.

50. In my view this omission to properly consider the matter from the perspective of consumers to whom the marks are phonetically and conceptually identical is an error of principle in the assessment of the likelihood of direct confusion. **In this respect the appeal succeeds**.

Indirect Confusion

51. The Opponent also complains that the Hearing Officer erred in concluding that there was no likelihood of indirect confusion.

52. Since I have upheld the Appeal as regards "direct" confusion and the likelihood of confusion will have to be re-assessed, this Ground falls away.

Notional and Fair Use/Common Trade Practice

53. The Opponent's written submissions on appeal included an argument that the Hearing Officer erred in failing to consider the notional and fair use of the competing marks across the full specifications. Particular emphasis was placed on "side-by-side" notional use. This was not pleaded as a separate Ground of Appeal, nor was the issue expressly raised before the Hearing Officer.

54. In my view this is really tied to the assessment of the risk of confusion amongst those to whom the parties' marks are conceptually/phonetically identical, which is dealt with above, and absent a specific pleaded case I decline to address this as a separate issue.

55. The Opponent also complains the Hearing Officer "failed to take into account the common practice of hotels introducing sub-brands…". This supposed "common practice" was not put to the Hearing Officer nor supported evidentially, and it could not, on the face of it, be taken on notice. The Hearing Officer cannot be faulted in this respect and this submission fails.

Outcome of the Appeal

56. In so far as it concerns the Hearing Officer's assessment of the likelihood of direct confusion, the appeal has succeeded.

57. That being the case, and absent any matter requiring further consideration or submissions at first instance, I shall proceed to re-assess the likelihood of confusion.

Re-assessment of the likelihood of confusion

58. I Adopt the Hearing Officer's findings for the '111 Earlier Mark that:

- The level of attention of the average consumer, being a member of the general public, will range between a reasonable level to a high level of attention when selecting the services, dependent on the location, the facilities available, the standard of the services chosen, the cost, and the occasion;

- The services will be selected by primarily visual means, although I do not discount aural considerations;

- The '111 Earlier Mark is visually similar to the Contested Mark to no more than a medium degree due to the brevity of the signs;

- The '111 Earlier Mark is aurally identical to the Contested Mark where the letter "H" is not articulated, and similar to no more than a medium degree where pronounced as two syllables;

- Where the word "NHOW" in The '111 Earlier Mark is seen as an unusual misspelling of "NOW", the competing marks are conceptually identical, however, where "NHOW" is seen as an invented word, there is no conceptual similarity;

- The ‘111 Earlier Mark is inherently distinctive to a high degree where “NHOW” is perceived to be an invented word, and distinctive to a medium degree where seen as a misspelling;

- All the contested services are either identical or similar to at least a low degree to those of the opponent.

59. In my view, there is indeed (as the Hearing Officer found at [96]) a proportion of average consumers to whom there is no conceptual identity and to whom the visual differences will not go unnoticed.

60. However, in my view, even taking into account the brevity of the marks and the visual differences, there is a group of average consumers to whom the marks are phonetically and conceptually identical. To such consumers, even if the visual difference is noted, it will not detract from those identical elements. Furthermore, the services are identical or similar to a low-medium degree.

61. I take into account that for this group of consumers the ‘111 Earlier Mark, being seen as a misspelling of the word “NOW”, will only be of “medium” distinctive character (in the Hearing Officer’s unchallenged view).

62. For those services said to be similar to a low-medium degree, I also bear in mind the principle (acknowledged by the Hearing Officer in her entirely correct summary of the relevant principles that *“a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks”*.

63. Taking the best view I can of it, I conclude that there is a likelihood of confusion for those consumers who perceive both phonetic and conceptual identity in the marks, especially in the context of imperfect recollection. Furthermore, I consider that this group of consumers will amount to a significant proportion of average consumers (notwithstanding that there may be other consumers – perhaps even a majority – who would not be confused). I therefore find that for these consumers there is a likelihood of direct confusion between the Contested Mark and the ‘111 Earlier Mark.

64. That being the case I do not need to go on to consider indirect confusion.

65. Given the Opponent recognised its strongest case rested on the ‘111 Earlier Mark I do not need to consider the other Earlier Marks relied on by the Opponent.

Conclusion

66. **The Appeal has succeeded and the opposition under S. 5 (2) (b) succeeds on re-assessment as regards the '111 Earlier Mark. Application No. 3286686 NOW is refused in full.**

Costs

67. As the successful party the Opponent is entitled to an award of a contribution to its costs. The Opponent did not argue that I should depart from the usual scale of costs.

68. The Hearing Officer made an award of £900 against the Opponent as a contribution towards the costs of the Applicant. The Appeal having succeeded, that order is set aside.

69. Instead, I order The Coryn Group LLC to pay to NH Hotel Group, S.A the sum of £1300 in respect of the Opposition, made up as follows:

    - Filing the Notice of opposition and reviewing the counterstatement: £300
    - Official fee for opposition: £100
    - Filing of evidence: £500
    - Filing written submissions: £400

70. In respect of the Appeal, I order The Coryn Group LLC to pay to NH Hotel Group, S.A the sum of £700, comprising:

    - Filing the Notice of Appeal: £300
    - Filing written submissions: £400

71. **Therefore, The Coryn Group LLC must pay to NH Hotel Group, S.A the sum of or its representatives the total sum of £2,000 within 21 days of the date of this decision.**

Philip Harris
Appointed Person
31 March 2022