

O-201-18

TRADE MARKS ACT 1994

IN THE MATTER OF:

TRADE MARK APPLICATION 3194081

IN THE NAME OF

NATASHA CATHERINE MCGUINNESS AND TEHILLAH MCGUINNESS

FOR THE TRADE MARK:

PEACHES ON BEACHES

AND

OPPOSITION THERETO (UNDER No 408586)


BY SANDALS RESORTS INTERNATIONAL 2000 INC

Background and pleadings

1. The details of the mark the subject of these proceedings are:

Mark:	PEACHES ON BEACHES
Filing date:	31 October 2016
Publication:	18 November 2016
Applicants:	Natasha Catherine McGuinness and Tehillah McGuinness
Specification:	Various goods and services in classes 9, 14, 24, 25, 28, 32, 35, 39, 41 & 43

2. Registration of the mark is opposed by Sandals Resorts International 2000 Inc (“the opponent”). Its grounds of opposition are based on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). Under section 5(2)(b), the opponent relies on the following three marks:


i) EUTM¹ 169995 for the mark  which was filed on 1 April 1996 and registered on 5 June 1998. The mark is registered for a wider set of goods and services, but the opponent only relies upon (and makes a statement of use) in respect of the following:

Class 42: Hotel, restaurant and catering services; reservation and hospitality services.

This earlier mark is relied upon to oppose the applicants’ services in classes 39 and 43.

¹ European Union Trade Mark



ii) EUTM 14605513 for the mark  which was filed on 28 September 2015 and registered on 8 February 2016. The opponent relies upon all of the goods and services for which the mark is registered, namely:

Class 16: Printed matter; items for bookbinding; souvenir catalogues; travel and vacation magazines; discount cards (other than encoded or magnetic); photographs; posters; stationery, writing paper and envelopes; pens and pencils, adhesives material for stationery and for household use; artists' materials; paint brushes; printer's type; printing blocks; typewriters and office requisites excluding furniture; instructional and teaching material except for the apparatus; plastic materials for packing not included in other classes.

Class 25: Clothing, footwear and headgear.

Class 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.

Class 36: Discount card services; discount card services provided for leisure purposes.

Class 39: Transport; arranging of cruises; arranging of tours; booking of seats for travel; travel reservations; sightseeing; planning services and organisation of travel for honeymoons; organisation and planning of travel arrangements for holidays; flower delivery; holiday and honeymoon planning services, namely booking of holidays and flights and provision of advice in relation to the aforesaid.

Class 41: Nightclub services; holiday and honeymoon planning services, namely booking of entertainment and cultural visits and provision of advice in relation to the aforesaid.

Class 43: Hotels, resort hotels, motels and guest house services; accommodation services; hotel reservation services; provision of conference and meeting facilities; restaurant, bar and cafe services; catering services; cafeteria services; catering services including the supply of celebratory cakes; 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; holiday and honeymoon planning services, namely booking of accommodation and restaurants and provision of advice in relation to the aforesaid.

Class 44: Hygienic and beauty care for human beings or animals; beauty salons; facials; hydro-therapy; manicures and pedicures; massage; mud treatments; spas; hairdressing services; hairdressing salons; beautician services; provision of flowers and floral arrangements.

Class 45: Personal and social services rendered by others to meet the needs of individuals, namely, babysitting services, childcare services; provision of facilities for weddings and wedding receptions, wedding planning services; planning of other celebratory occasions, arrangement of marriage ceremonies, preparation of wedding guest lists, invitations, wedding scripts and place settings, arranging and coordinating of wedding present lists, hire and provision of bridal or other occasion wear and jewellery, maid and valeting services.

This earlier mark is relied upon to oppose the applicants' services in classes 35, 39 , 41 & 43.

iii) EUTM 9401357 for the mark **BEACHES** which was filed on 24 September 2010 and registered on 22 March 2012. The opponent relies upon all of the goods and services for which the mark is registered, namely:

Class 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.

Class 39: Operation of travel agencies, escorting and travel services.

Class 41: Entertainment services, night clubs, discotheque services, live entertainment.

Class 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.

Class 44: Spa services.

This earlier mark is relied upon to oppose the applicants' services in classes 35, 39 , 41 & 43.

3. The primary claims under section 5(2)(b) are based upon the identity/similarity of the services, together with the fact that the opponent's mark, BEACHES (or the dominant part of its other marks which is said to be that word), is included in its entirety in the applicants' mark, and that the word BEACHES is also highly similar to the word PEACHES, with the word ON having no trade mark significance, all of which will result in a likelihood of confusion.

4. Under section 5(3), the opponent relies on the same three marks. A claim to reputation is made matching the extent to which the marks are relied upon under section 5(2)(b), with the heads of damage claimed to arise in relation to the same services referred to under section 5(2)(b). All three heads of damage are relied upon, namely: unfair advantage, tarnishing and dilution.

5. Under section 5(4)(a), a claim based on the law of passing-off, the opponent relies on the use of the sign BEACHES since 1997 for various goods and services including

those which, if classified under the Nice Classification, would fall in classes 16, 25, 28, 35, 36, 39, 41, 43, 44 & 45.

6. All of the opponent's marks were filed before the applicants' mark, so meaning they qualify as earlier marks in accordance with section 6 of the Act. Only mark i) identified above had been registered for more than five years at the point when the applicants' mark was published, so meaning that only that mark must meet the use conditions set out in section 6A of the Act. The other earlier marks may, therefore, be relied upon for their specifications as registered.

7. The applicants filed a counterstatement denying the grounds of opposition. They state that the word BEACHES is non-distinctive for the goods/services for which registration is sought. They highlight what they say are the visual, aural and conceptual differences between the marks. The applicants deny confusion, misrepresentation and the heads of damage under section 5(3).

8. Both sides filed evidence and written submissions. Neither side requested a hearing, both opting to file written submissions in lieu. The opponent is represented by Dechert LLP, the applicants by Trade Mark Wizards Limited.

The evidence

The opponent's evidence

9. This comes from Mr Karl Thompson, managing director of a company called Unique Vacations (UK) Limited ("Unique"), the opponent's exclusive distributor of its services. Mr Thompson best describes the nature of the business as:

"BEACHES resorts are luxury fully all-inclusive resorts, providing restaurants, water sports, land sports and entertainment services amongst others"

10. The first resort was opened in 1997 in Negril, Jamaica. There are "now" three resorts, the additional two being in Providenciales (Turks & Caicos) and Ocho Rios (Jamaica). A number of awards have been won in connection with the business,

namely; British Airways Holidays Best Independent Hotel Group (2006), Travel Bulletin's Globe Travel Awards Best All-Inclusive Resort Operator 2008 (12 years in a row), and World Travel Awards World's Leading All-Inclusive Family Resort (19 years in a row, 1998-2016). Exhibit 8 contains prints relating to these awards.

11. Between 2012 and 2016, Unique's revenue in the UK increased from £3.7 million to £8.3 million in connection with its exclusive distributorship of the opponent's services. It is explained that whilst the all-inclusive holidays may be booked directly with Unique, bookings can also be made via selected travel agents such as Virgin Holidays and British Airways. Exhibit 10 contains website prints from such travel agencies, which feature the holiday resorts named as, for example, BEACHES TURKS & CAICOS. I also note, for example, a heading in the print from the Virgin website which has a heading "Sandals and Beaches Holidays", below which is a sub-heading "Sandals and Beaches", following which is an explanation "If you want to get away somewhere extra special with your loved ones, the Sandals and Beaches Resorts are the perfect place for you". Some, but not all of the prints, can be placed before the relevant date or during the relevant period. Exhibit 11 contains a large number of prints from the opponent's own booking site which make frequent mention of BEACHES RESORTS, BEACHES [name], BEACHES VACATION, BEACHES ALL-INCLUSIVE RESORTS. The prints primarily come from before the relevant date and during the relevant period.

12. As of July 2017, the opponent's Facebook page had 403k likes, its Twitter page 185k followers and its Instagram page 128k followers. During the relevant period it had 231k Facebook likes and 150k Twitter followers. Various supporting prints are provided in exhibit 12, some of which contain word only use of BEACHES RESORTS, some use of BEACHES in a form of stylisation that mirrors the stylised version of the earlier marks.

13. Exhibit 13 contains screenshots from some YouTube videos which Mr Thompson states were also ran as TV commercials. However, where/when they ran is not explained. The YouTube videos have received 1.1 million views. The screen shots show mainly the stylised versions of the marks. There is some use of BEACHES as a plain word as part of a domain name and hashtag, and also as part of the title of a

video: “Beaches Resorts...”. Exhibit 14 contains a picture of a London taxi which features advertising for the resorts, mostly in stylised form, but with Beaches Resorts as part of a domain name.

14. Exhibits 1-7 contain various prints showing press coverage (advertising) and, also, information relating to its Tripadvisor profile (and information about Tripadvisor itself). The advertisements are from after the relevant date/period, so I need not detail their content. The Tripadvisor prints show a large number of positive reviews for the various Beaches [name] resorts. Evidence is also provided about Tripadvisor’s Certificate of Excellence which Beaches Resorts have obtained, but it is not clear when this was awarded. The Traveller’s Choice Award is also mentioned, two of the resorts obtained this in 2016.

The applicants’ evidence

15. This consists of witness statement of Mr Oliver Oguz, a director at Trade Mark Wizards Limited. His evidence consists of dictionary definitions for the word PEACH (the primary definition relating to the fruit) and BEACH (as in a pebbly or sandy shore). He also provides a number of Internet prints showing that the word BEACH or BEACHES is commonly used in the holiday field as a description of a characteristic of holidays (e.g. beach holidays, holidays on the beach, bask on beautiful beaches, our latest beach holidays, secluded beach holidays etc.). I consider it unnecessary to detail this evidence to a greater extent than this.

Section 5(2)(b)

16. Section 5(2)(b) of the Act states that:

“5.-(2) A trade mark shall not be registered if because – ..

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

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

17. The following principles are gleaned from the judgments of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P:

(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 greater 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.

18. Of the three earlier marks, one is subject to the use conditions, the other two are not. For procedural economy, I will make initial findings based on an assumption that the first mark has met the use conditions; if my decision ultimately turns on the earlier mark which is subject to the use conditions, I will return to the proof of use assessment later.

Comparison of goods/services

19. Goods and services may be considered identical if one term in a specification falls within the ambit of something in the competing specification, as per the guidance provided by the General Court in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05 (“*Meric*”):

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut 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”.

20. In terms of similarity, when making a comparison of goods/services, all relevant factors relating to them should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the Court of Justice of the European Union (“the CJEU”) stated at paragraph 23 of its judgment:

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

21. Guidance on this issue has also come from Jacob J where, in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, the following factors were highlighted as being relevant:

“(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.”

22. In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v OHIM* Case T- 325/06 it was stated:

“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 PLUVIAL) [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).”

23. In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case B/L O/255/13, *LOVE*, where he warned against applying too rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in

question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston.”

24. The opponent does not oppose all of the applied for goods and services under section 5(2)(b). The first class it opposes is class 35. The specification itself is long, however, only the following are opposed:

Advertising, marketing and promotional services; marketing services; office functions; public relations services; product demonstrations and product display services; trade show and exhibition services; loyalty, incentive and bonus program services; provision of advertising space, time and media; distribution of advertising, marketing and promotional material; arranging of commercial and business contacts; business assistance, management and administrative services

25. The above services are opposed on the basis of the specifications covered by earlier marks ii) and iii). Whilst acknowledging that the opponent is not limited to similarity based on terms in the same class, it is noteworthy that both marks ii) and iii) cover:

Class 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.

26. Given that the applied for mark’s advertising services are not limited, they include advertising relating to travel and hotel accommodation, so they may be considered identical on the inclusion basis set out in *Merix*. Further, the marketing and promotional services are similar in nature, purpose and channels of trade to advertising such that the services are highly similar. Public relations could also be provided in the same field as the opponent’s advertising, and this too is at least similar to a medium degree on account of the purpose and channels and trade. There is also a key link between the opponent’s advertising services and “trade show and exhibition services; provision of advertising space, time and media; distribution of advertising, marketing and

promotional material” whereby a complementary relationship exists. These services are similar to a medium degree.

27. In relation to “product demonstrations and product display services”, I see no real synergy with the opponent’s type of advertising services. I find no similarity here. However, “loyalty, incentive and bonus program services” is clearly identical to “operation and supervision of loyalty schemes and incentive schemes”.

28. The opponent’s “Business and hotel management and hotel administration” is a broad term which would cover various management and administrative services which could be outsourced. I consider this to include the applied for “office functions” and, also, “business assistance, management and administrative services”. That leaves “arranging of commercial and business contacts” for which I see no reason (and none has been submitted) for finding that there is similarity to any of the opponent’s terms, be it in class 35 or elsewhere.

29. The next class opposed is class 39, with the following services the subject of the opposition under section 5(2)(b):

Transport; travel agency services; travel arrangement; travel information; arranging of travel tours; tour reservation services; planning of journeys; provision of tours; computerised reservation services for travel; travel guide and travel information services; ticketing services for travel; reservation services for airline travel; tour conducting; arranging of business travel; arranging of air travel; travel arrangement services; arranging of travel by coach; provision of information relating to travel routes; chartering of vehicles for travelling; travel and transport reservation services; travel booking agencies; organizing and arranging travel; organising of foreign travel; arranging travel tours; tour operating and organising; services for the arranging of tours; travel agency services relating to travel by omnibus; trip planning services; organisation of holiday travel; agents for arranging travel; travel agents services for arranging travel; issuing of tickets for travel; supplying tickets to enable holders to travel; booking of seats for travel; ticket booking services for travel; transportation of travellers' baggage; transportation of passengers by coach; services for

arranging the transportation of travellers; arranging the escorting of travellers; seat reservation services for travellers; transport of travellers by taxi; arranging for travel visas, passports and travel documents for persons traveling abroad; tourist travel reservation services; arranging of tours and cruises; travel agency services for arranging holiday travel; transport of travellers by tram; travel services; provision of travel information by computer; holiday travel reservation services; travel agency and booking services; computerised information services relating to travel; reservation of seats for travel; transport of travellers by land; transport of passengers by air; booking agency services relating to travel; organization of travel and boat trips; arranging of overseas travel for cultural purposes; provision of tourist travel information; reservation services for travel by land; travel and tour ticket reservation service; arrangement of travel to and from hotels; itinerary travel advice services; timetable enquiry services relating to travel; services for the booking of travel; computerised information services relating to travel reservations; agency services for arranging travel; booking agency services for airline travel; booking and reservation services for tours; reservation and booking of seats for travel; consultancy for travel planning of routes; travel agency services, namely, making reservations and bookings for transportation; coordinating travel arrangements for individuals and for groups; travel reservation and booking services; package holiday services for arranging travel; agency services for arranging the transportation of travellers; agency services for arranging the transportation of travellers' luggage; arranging travel tours as a bonus program for credit cards customers; arranging of tours, cruises and sightseeing (tourism); providing electronic information concerning travel and travel destinations; providing a website on travel information, maps, map images and trip routing; organizing and arranging travel activities, namely, tours, travel to events and travel to attractions; arranging bookings of day trips and sight-seeing tours; providing travel information in the form of geographical information at, around and in between travel destinations via a website; providing travel information and geographical information, including maps, map images and trip routing via electronic or optical communication network; providing a website where users can post ratings, reviews and recommendations on events and activities in the field of travel.

30. Without wishing to unduly simplify the above services, they can all be characterised as services for travellers, including their (travellers) transportation and information relating to all of that.

31. Mark i) covers hotel services in class 43. Although no specific submission has been made, I can see a complementary link here whereby the earlier mark's hotel services may be offered in conjunction with travel/transport/information services and the link is of such a nature that the consumer may think that the responsibility for those services lies with the same undertaking. However, given the specific nature, methods of use and purpose, I put this similarity at a medium level.

32. Mark ii) covers holiday services in class 43 and I consider, for the same reasons as set out above, that there is a medium level of similarity. However, mark ii) also covers services in class 39 as follows:

Class 39: Transport; arranging of cruises; arranging of tours; booking of seats for travel; travel reservations; sightseeing; planning services and organisation of travel for honeymoons; organisation and planning of travel arrangements for holidays; flower delivery; holiday and honeymoon planning services, namely booking of holidays and flights and provision of advice in relation to the aforesaid.

33. Given that the above covers transport and various services such as travel reservation and planning of travel arrangements, I consider that the vast majority of the applied for services will fall within ambit and, so, are identical. If there are some terms which are not strictly identical then they are highly similar on account of the purpose and trade channels of the services.

34. Mark iii) also covers "...travel services" so are identical or highly similar as described above. Mark iii)'s class 43 specification is more limited covering services such as "hotel-in and check-out services" and booking of accommodation. I consider these services to have low degree of similarity, on a complementary basis, with the applied for class 39 services.

35. The opponent also opposes the following class 41 services under section 5(2)(b):

Education courses relating to the travel industry and sustainable travel; information services in relation to the travel industry; arranging of educational events in relation to travel; electronic publication services; electronic publications services in relation to travel; special event planning in relation to travel; arranging, conducting and organisation of events in relation to travel; services for the publication of travel guides; publication of directories relating to travel; educational courses relating to the travel industry; providing information about entertainment activities, and making reservations and bookings for shows and other entertainment events; providing online newsletters in the fields of travel, travel planning, travel and entertainment news, maps, city directories and listings via electronic communication networks for use by travellers; providing a website where users can post ratings, reviews and recommendations on events and activities in the fields of entertainment; publishing of reviews; education and training relating to travel and culture.

36. The opponent relies only on marks ii) and iii) to oppose the above. Marks ii) and iii), in addition to their travel services, also covers the respective specifications below in class 41:

Nightclub services; holiday and honeymoon planning services, namely booking of entertainment and cultural visits and provision of advice in relation to the aforesaid.

Entertainment services, night clubs, discotheque services, live entertainment.

37. To the extent that the applied for services cover entertainment, or the booking thereof, I consider such services to be identical or highly similar to the services in class 41 of marks ii) and iii). The rest of the applied for services all relate to travel, including education, information, publications and events. I consider there to be a moderate (between low and medium) level of similarity with the earlier mark's travel services, for similar reasons to those given earlier.

38. The final class opposed under section 5(2)(b) is class 43 which reads:

Services for providing food and drink; food preparation; food preparation services; preparing and serving food and drink for consumption on or off the premises; restaurants; restaurant services; restaurant services for the provision of fast-food; delicatessens; grill restaurants; carry-out restaurants; self-service restaurants; contract food services; catering; catering for the provision of food and drink; catering services for the provision of food and drink; cafeterias; catering in fast-food cafeterias; snack-bars; canteens; takeaway services; wine tasting services; bars; bar services; hospitality services [food and drink]; corporate hospitality (provision of food and drink); night club services [provision of food]; arranging of wedding receptions [food and drink]; the provision of food-ordering services through an on-line computer network; consultancy services relating to food preparation; rental of food service equipment; provision of information relating to restaurants; temporary accommodation; temporary accommodation; provision of temporary accommodation; providing lodging and restaurant information services; rental of rooms; rental of meeting rooms; hiring of rooms for social functions; travel agency services for booking accommodation; booking of hotel rooms for travellers; rental of rooms for social functions; rental of rooms as temporary living accommodation; guest houses; guest house services; public house services; hotels, hostels and boarding houses, holiday and tourist accommodation; providing reviews of hotel accommodations and restaurants via computer networks and global information networks; agency services for the reservation of accommodation; arranging hotel reservations; cruise accommodation reservation services; hotel accommodation reservation services; hotel reservation for tourists; hotel reservation services; hotel reservations; hotel room reservation for travellers; hotel room reservation services; reservation of accommodation for travellers; reservation of accommodation in hotels; reservation of accommodation in tourist homes; reservation of hotel accommodation; reservation of hotel rooms; reservation of meals; reservation of places at holiday resorts; reservation of rooms for travellers; reservation of temporary accommodation; reservation of tourist accommodation; reservation services for guesthouse accommodation;

reservation services for the booking of accommodation; reservation services for the provision of hotel accommodation; accommodation booking agency services [time share]; accommodation booking agency services [house share]; agency services for booking accommodation for travellers; agency services for booking accommodation in boarding houses; agency services for booking accommodation in tourist camps; agency services for booking accommodation in tourist homes; agency services for booking hotel accommodation; boarding house bookings; booking agency services for holiday accommodation; booking agency services for hotel accommodation; booking of accommodation for travellers; booking of cabins [other than relating to transport]; booking of campsite facilities; booking of catering services; booking of catering services for travellers; booking of holiday accommodation in boarding houses; booking of holiday accommodation in hotels; booking of holiday accommodation in tourist camps; booking of holiday accommodation in tourist houses; booking of hotel accommodation; booking of hotel rooms for tourists; booking of hotel rooms for travellers; booking of restaurant places; booking of restaurant seats; booking services for rooms [temporary]; hotel room booking services; provision of information relating to the booking of accommodation; provision of camp ground facilities; services for providing camp ground facilities; services for the provision of camp ground facilities; tourist agency services, for the booking of accommodation; information services relating to the aforesaid; accommodation reservation services; café; bar; restaurant and catering services and information and booking services relating to cafés; bars and restaurants; social and collaborative lodging and dining.

39. Again, and without wishing to over simply the above, the above can be broken down as various services for providing (and making reservations for) food and drink, the provision of accommodation and the booking/reservation thereof.

40. Mark i) covers:

Hotel, restaurant and catering services; reservation and hospitality services.

41. I consider the majority of the applied for services to fall within ambit and, so, are identical. If they are not identical then they are highly similar. The same applies to mark ii) given that its specification in class 43 reads:

Hotels, resort hotels, motels and guest house services; accommodation services; hotel reservation services; provision of conference and meeting facilities; restaurant, bar and cafe services; catering services; cafeteria services; catering services including the supply of celebratory cakes; 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; holiday and honeymoon planning services, namely booking of accommodation and restaurants and provision of advice in relation to the aforesaid.

42. Mark iii)'s class 43 specification reads:

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.

43. The various applied for services relating to food or drink will largely fall within the competing opponent's terms (and so are identical) or else are highly similar. In terms of the applied for accommodation services, any relating to reservation or booking are identical, but even in relation to the rest there is medium degree of similarity on a complementary basis to the opponent's booking of accommodation and "hotel-in and check-out services".

Average consumer and the purchasing act

44. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose 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 or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

45. The average consumer for the vast majority of the services will be a member of the general public, wishing to go on holiday and to avail themselves of the accommodation, travel, holiday related services at issue. The average consumer will regard this is a fairly important choice, something which may only be undertaken once a year which suggests a higher degree of care and attention than then the norm (although I would say not of the highest level of consideration). The services will often be considered via perusal of brochures, websites, or considering matters in travel agents etc, which suggests that the visual impacts of the marks are important. However, the aural impacts and also important because this is a field in which advice is often sought from a person such as a travel agent. The services relating to food and drink, and entertainment, will, though, be subject to a more typical selection process, of a normal level, through mainly visual means.

46. For some for the services, matters are slightly different. For example, some of the services in class 35 are aimed more at businesses (e.g. office functions, hotel management and administration). I again consider that the level of care is highly than the norm (but not of the highest level) through mainly visual means, but where the aural impacts should not be ignored completely.

Comparison of marks

47. 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.”

48. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:


PEACHES ON BEACHES

v

A handwritten-style logo for 'Beaches' in a cursive script.A logo for 'Beaches Resorts by Sandals'. 'Beaches' is in a cursive script, 'Resorts' is in a sans-serif font below it, and 'by Sandals' is in a smaller font inside an oval to the right.

BEACHES

49. In terms of overall impression, the applicants' mark clearly comprises one which will be perceived as a single unit. All three words contribute to that unit. Having said that, given its size and significance, ON will stand out less, with PEACHES and BEACHES playing a roughly equal role in the mark.

50. The opponent's  mark comprises the word Beaches in a stylised font with a wavy line below. I consider the word Beaches to be the aspect with greatest relative weight, although, the stylisation plays a far from negligible role in the overall impression. The second of the opponent's mark comprises the same word in a similar (but not the same) font, with a different form of underline, together with the word "RESORTS" and "by Sandals". The word Beaches still has the greatest relative weight, particular bearing in mind the subordinate role the other verbal elements play. The stylisation also plays a non-negligible role in the overall impression. The opponent's BEACHES mark has just one component, so that is the only thing that contributes to its overall impression.

51. Visually, all of the marks contain the word BEACHES or Beaches. The earlier mark with the most visual similarity to the applied for mark is the plain word BEACHES. However, given that the applied for mark has the addition of the words PEACHES ON at its beginning, and given that the word BEACHES does not stand out in the overall impression of the applied for mark (beyond PEACHES in any event), I consider this equates to a moderate (between low and medium) level of visual similarity. In terms of the other earlier marks, the stylisation (of both marks) and the additional words in mark ii), mean that the visual similarity is lower. Even though Beaches may have greatest relative weight in the overall impressions of these marks, I conclude that the visual similarity is low.

52. Aurally, the applied for mark will be articulated as PEE-CHIS-ON-BEE-CHIS. Marks i) and iii) will be articulated as BEE-CHIS. Weighing the differences and similarities, I consider, again, that this equates to a moderate level of aural similarity. Mark ii) contains additional verbal elements which means that the aural similarity is lower, with there being just a low degree of aural similarity.

53. The earlier marks will all be conceptualised on the basis of the conventional meaning of the word BEACHES, i.e., as per the definition provided by the applicants in their evidence, a pebbly or sandy shore, or more accurately, more than one beach. Whilst the applied for mark makes reference to a beach, it has a much more specific connotation. In its counterstatement, the applicants state that peaches within its mark will be taken as a reference to the female posterior. I am unsure that the average consumer will see it that way, however, whether she/he does or not does not really matter because, either way, the mark as a whole sends a somewhat unusual concept of either peaches (as in the fruit) on beaches, or female posteriors on beaches. Any conceptual similarity is thus at a very superficial level only when the marks in totality are considered.

Distinctiveness of the earlier mark(s)

54. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

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

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested

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).”

55. I will take the earlier marks in turn. Mark iii) consists of just the word BEACHES. Its inherent distinctiveness must be very low for any services that relate to holidays. That said, the specification itself does not cover hotel or resort services. It does though cover certain services such as reservation of accommodation, check in/out services and travel agency. Given the highly suggestive nature of the word BEACHES, I still consider the inherent level of distinctive character to be low. The opponent may be in better position with regard to some of its class 35 services, although, as the services still relate (or could relate) to travel, the distinctiveness is still moderate (between low and medium) at best. This is where I also pitch distinctiveness in relation to terms such as entertainment services and those relating to food and drink. Such services could still be provided at the seaside and whilst on holiday, so the mark sends a reasonably strong suggestive message to that extent. The mark is no more distinctive for any of the other services for which it is relied on. In terms of the use made of the mark, it is most often used along with the name of the particular resort, or the word RESORT itself. Its use is in relation to the name of an all-inclusive holiday resort. Whilst I accept that some consumers will be aware of the BEACHES RESORTS, and whilst the revenue is of a not insignificant quantum, I am not satisfied that the word BEACHES alone has been used to such an extent that the average consumer will see the trade mark as any more distinctive of the opponent than it is on a *prima facie* level. It is not as though the opponent is relying on holiday resort services in relation to this mark and there is nothing to show that it has a particular reputation for any of the stand-alone services. It should be borne in mind also that the question of whether distinctiveness has been enhanced through use is not simply a knowledge test. The question is whether the mark has a greater capacity as a result of its use to identify the services as coming from a particular undertaking – for the reasons given, I am not satisfied that this is so. It is therefore clear from this that I do not agree with the opponent’s submission that its mark(s) is highly distinctive.

56. Mark i) is more distinctive *prima facie* on account of its stylisation, but this does not really assist because it is the distinctiveness of the common element that matters (as per the decision of Mr Purvis QC, sitting as the Appointed Person, in *Kurt Geiger v A-List Corporate Limited* (BL O-075-13)). The services of the earlier mark include hotels (for which the mark as a whole is only moderately distinctive, but the word Beaches has only a low level of distinctiveness). Even in respect of its other services, the distinctiveness, as found above, of the word Beaches is still moderate at best. I do not regard the evidence to have materially enhanced the distinctiveness of the common element.

57. Much of what I have said applies to mark ii), with the common element being low or moderate in inherent distinctiveness, with the use not improving matters to a material extent. Indeed, there is limited use of this particular mark before the relevant date.

Likelihood of confusion

58. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused. Confusion can be direct (which effectively occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same, but puts the similarity that exists between the marks/goods down to the responsible undertakings being the same or related). In terms of indirect confusion, this was dealt with by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he noted 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 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).”

59. Some of the services are identical, a factor which may offset the lesser degree of similarity between the marks. Direct confusion requires the average consumer to mistake one mark for the other. Whilst imperfect recollection must be borne in mind, I am of the clear view that the specific connotation of PEACHES ON BEACHES will not be misrecalled or misremembered as BEACHES alone (or with a mark in which Beaches has greatest relative weight), or vice versa. There is no likelihood of direct confusion.

60. That then leads to indirect confusion. Whilst bearing in mind that the examples given by Mr Purvis above are just that, examples, the circumstances before me do not obviously fall within them. The word BEACHES is not strikingly distinctive so that the average consumer would wonder who else other than the opponent would be using the mark. The latter mark has not simply added a non-distinctive element, indeed, it has added something which creates an unusual concept as whole. Nor does a move from BEACHES to PEACHES ON BEACHES seem to be a logical and consistent brand extension. Put simply, I can see no rationale for the average consumer coming to the conclusion that the sharing of the word BEACHES is indicative of a same stable service. I remind myself that in *The Cheeky Indian* case (BL O-219-16) Mr Mellor QC, sitting as the Appointed Person, highlighted that:

“..one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion”

and

“...in my view it is necessary to be specific as to the mental process involved on the part of the average consumer. Whilst the categories of case where indirect confusion may be found is not closed, Mr Purvis’ three categories are distinct, each reflecting a slightly different thought process on the part of the average consumer”

61. I can see no logical process that would lead the average consumer to be indirectly confused. The opponent’s submissions do not illicit any real explanation beyond the basic submission that confusion will occur. In my view, the average consumer will put the commonality of the word BEACHES within the competing marks down to an unsurprising use of a word with a modest (at best) level of distinctiveness. This finding would also be true for average consumers who have heard of the opponent’s services. Notwithstanding such knowledge, the commonality will be put down to co-incidence not economic connection. For sake of completeness, I observe, in agreement with the applicants’ submission, that the word BEACHES does not play an independent distinctive role in the context of the applied for mark, so extinguishing any argument that could have been made on the basis of the type of scenario envisaged by cases

such as *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*. The opposition under section 5(2)(b) is dismissed.

Section 5(3)

62. Section 5(3) states:

“5(3) A trade mark which (a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

63. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the

relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; Intel, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; Intel, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; Intel, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; Intel, paragraphs 76 and 77.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; Intel, paragraph 74.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; L'Oreal v Bellure NV, paragraph 40.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of

the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure).

64. Any reputation the earlier mark(s) have would be limited to the field of holiday resort services. To that extent, and whilst bearing in mind that the degree of similarity required for a link to be established may be less than that required to establish a likelihood of confusion, my finding is that there will be no link. The strength of any reputation is not particularly strong and the level of distinctive character still moderate at best. Even in the context of identical or highly similar services, the relevant public will understand the applied-for mark as a reference to a peach on a beach and will not bring the BEACHES mark (any of them) to mind. The ground is dismissed.

Section 5(4)(a)

65. Section 5(4)(a) of the Act reads:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented – (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or (b)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

66. It is settled law that for a successful finding under passing-off, three factors must be present: i) goodwill, ii) misrepresentation and, iii) damage. In relation to goodwill, this was described in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), where the Court stated:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing

which distinguishes an old-established business from a new business at its first start." 1 For the benefit of Mr Dogan,

67. Even if one were to accept that the opponent possessed the requisite goodwill required under the law of passing-off, it is difficult to see why the opponent would be any better off arguing that a relevant misrepresentation would occur in circumstances where I have already held that there is no likelihood of confusion and, indeed, no link under section 5(3). Of further relevance here is the judgment in *Office Cleaning Services Limited v Westminster Window & General Cleaners Limited* (1946) 63 R.P.C. 39. In this case the differences between "Office Cleaning Services Limited" and "Office Cleaning Association," even though the former was well-known, was held to be enough to avoid passing off. Lord Simmonds stated:

"Where a trader adopts words in common use for his trade name, some risk of confusion is inevitable. But that risk must be run unless the first user is allowed unfairly to monopolise the words. The Court will accept comparatively small differences as sufficient to avert confusion. A greater degree of discrimination may fairly be expected from the public where a Page 9 of 9 trade name consists wholly or in part of words descriptive of the articles to be sold or the services to be rendered."

68. The common presence of the word BEACHES will not misrepresent to the public that the applicant's services are those of the opponent. The ground is dismissed.

Conclusion

69. The opposition fails. Subject to appeal, the application may proceed to registration in respect of all of the applied for goods and services.

Costs

70. I have determined these proceedings in favour of the applicants. They are, therefore, entitled to an award of costs. I award the applicants the sum of £1500 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Considering the statement of case and filing a counterstatement: £300

Considering and filing evidence/submissions: £800

Written submissions: £400

71. I therefore order Sandals Resort International 2000 Inc to pay Natasha Catherine McGuinness and Tehillah McGuinness (jointly) the sum of £1500. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

Dated this 29th day of March 2018

Oliver Morris

For the Registrar

the Comptroller-General