

O-431-21

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION No. 3453736
BY AYGÜN TURİZM İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ
TO REGISTER THE TRADE MARK**

TITANIC

**HOTELS
IN CLASS 43**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 420064 BY
PROPERTY RENAISSANCE LIMITED**

BACKGROUND

1) On 23 December 2019, AYGÜN TURİZM İNŞAAT SANAYİ VE TİCARET ANONİM ŞİRKETİ (hereinafter the applicant) applied to register the trade mark shown on the front page in respect of the following services:

In Class 43: Services for providing food and drink; temporary accommodation; reservation of temporary accommodation, rental of banquet and social function facilities for special occasions, namely, wedding receptions, conferences and meetings; day-nurseries (crèches); boarding for animals.

2) The application was examined and accepted, and subsequently published for opposition purposes on 10 January 2020 in Trade Marks Journal No.2020/002.

3) On 9 April 2020 Property Renaissance Ltd (hereinafter the opponent) filed a notice of opposition, subsequently amended. The opponent is the proprietor of the following trade marks:

Mark	Number	Dates of filing & registration	Class	Specification relied upon
TITANIC SPA	UK 2572423	16.02.11 10.06.11	41	Provision and operation of recreation and sports facilities; gym and fitness club services; provision of swimming pool facilities; fitness training services; advisory, consultancy and information services relating to all the aforesaid services.
			43	Services for providing food and drink; temporary accommodation; restaurant, bar and catering services; provision of holiday accommodation; booking and reservation services for restaurants and holiday accommodation; advisory, consultancy and information services relating to all the aforesaid services.

CLUB TITANIC	UK 3081580	14.11.14 06.02.15	41	Provision and operation of recreation and sports facilities; gym and fitness club services; provision of swimming pool facilities; fitness training services; provision of teaching and coaching facilities for sports and recreational activities; sports training and teaching academies; organisation of sporting competitions; sport camp services; rental of sports equipment; rental of sports facilities; Providing of training; Entertainment; Sporting and cultural activities; advisory, consultancy and information services relating to all the aforesaid services.
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4) The grounds of opposition are, in summary:

- a) The opponent contends that its marks above and the mark applied for are very similar and that the services of the two parties are identical and / or similar. As such the mark in suit offends against Section 5(2)(b) of the Act.
- b) The opponent contends that it has a considerable reputation in its UK 2572423 mark in respect of the services listed above. It states that the similarity between the marks and businesses is such that there is a likelihood of consumers assuming a link. It contends that this will enable the applicant to take unfair advantage of the opponent's reputation and free ride on its investment in promoting and advertising the brand. Use of the mark in suit will dilute and tarnish the reputation of the opponent. It contends that the mark in suit offends against section 5(3) of the Act.
- c) The opponent contends that it has used the sign TITANIC SPA since 2006 throughout the UK in respect of the provision of food and drink, temporary accommodation and spa/gym services and has acquired goodwill and reputation under the sign. Use of the mark in suit on similar and identical services will cause misrepresentation and damage.

5) On 17 August 2018 the applicant filed a counterstatement, in which it puts the opponent to strict proof of use of its marks in respect of all the services relied upon by the opponent. The opponent denies the grounds of opposition, stating that the marks and services of the two parties are not similar. It denies that the opponent can have the goodwill and reputation claimed.

6) Both parties are professionally represented. Both seek an award of costs in their favour; only the opponent filed evidence. The matter came to be heard on 2 June 2021 when the opponent was represented by Mr Longstaff of Counsel instructed by Messrs Harrison IP Limited; the applicant was represented by Ms Goulding of Messrs HGF Ltd.

OPPONENT'S EVIDENCE

7) The opponent filed a witness statement, dated 6 November 2020, by Amy Burton the director of operations for the opponent company, a position she has held since 2006. She states that since 2005 TITANIC SPA has been located in an Edwardian former textile mill known as Titanic Mills. The mill was built in 1911 and was so named due to its size and its opening in the same year as the launch as the famous liner was mere coincidence. The mill is still known as Titanic Mill and is so marked on ordinance survey maps and Google maps etc. The hotel element was granted planning permission in 2008. The facility offers residential spa, leisure, gym and hospitality services, including treatment and therapy services, beauty treatments and facilities, leisure and fitness services, residential services, bistro food and drink and bar services. She provides the following turnover figures for TITANIC SPA:

Year	Turnover £ million
2014	4.18
2015	4.42
2016	4.88
2017	5.02
2018	4.99
2019	5.39

8) The business has won a number of awards for being the best spa in the UK and Europe. The business has also had considerable coverage on social media, including a number of celebrities who were not paid for their endorsement. The business has its own Twitter, Instagram and Facebook

accounts with a considerable following. The opponent frequently offers special packages which invariably begin with the word Titanic such as “Titanic Twilight Evening” and “Titanic Nurture Spa Day”. Ms Burton states that many customers refer to the opponent simply as TITANIC as the term “spa” and “club” are obviously descriptive. She provides the following exhibits:

- AB 2: A copy of the Titanic Spa brochure dated 29 January 2020 which shows the full range of services on offer. These include hotel accommodation, spa treatments, use of pools, leisure gym, hot tubs, massages, food and drink, along with advisory services for using the facilities in safety. This includes details of special offers which include the word “Titanic”, one of which is “club Titanic”.
- AB 3: Audited financial statements which corroborate the above turnover figures.
- AB 5: Evidence of awards won.
- AB 6, 7 8 & 9: Copies of social media posts.
- AB 11: Copies of magazine and newspaper coverage of the opponent including the *Daily Mail*, *The Sun*, *Good Housekeeping* and *Closer* magazine. All dated between May 2017 and July 2019. These mention facilities such as a swimming pool, sauna, steam room, plunge pool, hot tub, massage and therapy services, bistro and bar serving food and drink, lounge areas and hotel rooms.
- AB 12: A copy of the opponent’s Trip Advisor entry which has 1,700 reviews with an average of four stars.
- AB13: This consists of copies of pages from various internet sites. On pages 131-136 from *Britain’s Finest* for spas (search date 4 November 2020) the Titanic Spa is listed and mentions personal training facilities. On pages 137- 141 dated 2020 from the opponent’s own website the gym and leisure club services are referenced, whilst on page 142 is a Yorkshire Post article (dated June 2010, updated July 2013) which mentions that Titanic Spa offers gym facilities and fitness club services.

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

DECISION

10) Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

11) The first ground of opposition is under section 5(2)(b) which reads:

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

(a)

(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.”

12) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“6.-(1) In this Act an "earlier trade mark" means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

13) The opponent is relying upon its trade marks listed in paragraph 3 above which are clearly earlier trade marks. The opponent has put the opponent to strict proof of use. The proof of use requirements state:

“(1) This section applies where

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the relevant period .

(1A) In this section “the relevant period” means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the relevant period the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes -

(a) use of a trade mark includes use in a form (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(5A) In relation to an international trade mark (EC) the reference in subsection (1)(c) to the completion of the registration procedure is to be construed as a reference to the publication by the European Union Intellectual Property Office of the matters referred to in Article 190(2) of the European Union Trade Mark Regulation.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.”

14) The application date, and therefore the relevant date, is 23 December 2019. The proof of use period is 24 December 2014 - 23 December 2019. Only the opponent’s UK mark 2572423 was registered five years before the relevant period and so only this mark has to meet the proof of use requirements. The opponent can rely upon its registered specification in full for mark UK 3081580. The opponent’s trade mark UK 2572423 is registered for the following services:

- In Class 41: Provision and operation of recreation and sports facilities; gym and fitness club services; provision of swimming pool facilities; fitness training services; advisory, consultancy and information services relating to all the aforesaid services.
- In Class 43: Services for providing food and drink; temporary accommodation; restaurant, bar and catering services; provision of holiday accommodation; booking and reservation services for restaurants and holiday accommodation; advisory, consultancy and information services relating to all the aforesaid services.

15) In *Walton International Ltd & Anor v Verweij Fashion BV* [2018] EWHC 1608 (Ch) Arnold J summarised the law relating to genuine use as follows:

“114.....The CJEU has considered what amounts to “genuine use” of a trade mark in a series of cases: Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, *La Mer* (cited

above), Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16, Case C-609/11 P *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR, Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089] and Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434], [2017] Bus LR 1795.

115. The principles established by these cases may be summarised as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Leno* at [29]; *Centrotherm* at [71]; *Reber* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Leno* at [29]; *Centrotherm* at [71]. Accordingly, affixing of a trade mark on goods as a label of quality is not genuine use unless it guarantees, additionally and simultaneously, to consumers that those goods come from a single undertaking under the control of which the goods are manufactured and which is responsible for their quality: *Gözze* at [43]-[51].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14] and [22]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the

sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71]; *Reber* at [29].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Leno* at [29]-[30], [56]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72] and [76]-[77]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

16) In *Awareness Limited v Plymouth City Council*, Case BL O/236/13, Mr Daniel Alexander Q.C. as the Appointed Person stated that:

“22. The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

and further at paragraph 28:

“28. I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted.”

17) The applicant contends that the evidence is centred around the provision of spa services, and that the turnover figures do not reflect what it regards as different aspects such as the gym membership, hotel accommodation and bar and bistro revenue. It contends that these services are an adjunct to the core service of a spa and refers me to *Pathway IP Sarl v Easygroup Ltd* [2018] EWHC 3608 (Ch). This was a case where offices were being rented out, and items such as photocopiers and phones could also be rented, but no evidence of use of the office equipment was provided. I do not regard this case as being on all fours with the instant case, as hotel accommodation, the provision of food and drink for example are integral parts of the spa facility. As is clear from the evidence those attending the spa, and by extension the average consumer, tend to travel to the area, and regard “a spa experience” as involving accommodation, treatments, food and drink and access to pools etc. Ms

Goulding also pointed out that the use was geographically limited to a single area. I accept this point but do not believe it to be an impediment to the opponent as its customers clearly come from all areas of the UK, as both the media articles and trip advisor responses show that the average consumer travels to the spa facility.

18) To my mind, the opponent has provided a compelling narrative which states unequivocally that the opponent offers a range of services listed as “residential spa, leisure, gym and hospitality services, including treatment and therapy services, beauty treatments and facilities, leisure and fitness services, residential services, bistro food and drink and bar services”. The newspaper articles at exhibit AB11 which are within the relevant period also reference most of the same services. At exhibit AB13 there are other newspaper articles which also reference many of the same services and are just before and just after the relevant dates. Ms Burton provides turnover figures which average at approximately £4.6 million per annum for the period 2014-2019 in relation to the use of TITANIC SPA on the services set out earlier in this paragraph. I also note that this evidence has not been challenged in evidence by the applicant and cross examination has not been sought. This does not mean that I should not consider the evidence with a critical eye but it seems to me to provide a clear narrative of the services on offer and which have been on offer before, during and after the relevant period. To my mind, the services mentioned in the evidence are sufficient to conclude that the opponent has shown use of the whole of its registered specification in classes 41 and 43. **The opponent is therefore able to rely upon the registered specifications for both its marks in the comparison tests.**

19) When considering the issue under section 5(2)(b) I take into account the following principles which are gleaned from the decisions 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 great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The average consumer and the nature of the purchasing decision

20) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' services. I must then determine the manner in which these services are likely to be selected by the average consumer in the course of trade. 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.”

21) Broadly speaking, the services in question are the provision of temporary accommodation and rooms; provision of food and drink; boarding for animals. To my mind, such services will be mostly chosen from advertisements on the internet and in magazines and other media, and from the signs on the actual premises. Thus, the initial selection will be primarily visual although the possibility of personal recommendations means that aural issues must also be taken into account. Such services will be used by the average UK consumer including businesses. The provision of food and drink can vary enormously from a hot dog stand to a Michelin starred restaurant and the care taken in selection will vary from a hurried and not well considered choice to a very carefully thought out purchase. The same is true of renting hotel accommodation and rooms for special occasions. The more important the occasion the more thought will be given to the choice. The level of attention for all the services will vary from quite low to high.

Comparison of services

22) In the judgment of the Court of Justice of the European Union (CJEU) in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

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

23) The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

24) I must compare the applicant’s services in class 43 to the opponent’s services in class 43 under UK 2572423. For ease of reference the services to be compared are as follows:

Applicant’s services	Opponent’s services	Result
Services for providing food and drink;	Services for providing food and drink	Identical

temporary accommodation;	temporary accommodation	Identical
reservation of temporary accommodation, rental of banquet and social function facilities for special occasions, namely, wedding receptions, conferences and meetings;	temporary accommodation; provision of holiday accommodation; booking and reservation services for restaurants and holiday accommodation; advisory, consultancy and information services relating to all the aforesaid services.	Identical
day-nurseries (crèches);	temporary accommodation; booking and reservation services for holiday accommodation;	Not similar
boarding for animals.	temporary accommodation; provision of holiday accommodation;	Identical

25) The results above can hardly be surprising given the identity of most of the wordings. Only two need any comment, the first is the boarding for animals which I take to mean establishments such as kennels and catteries which offer to look after your pets for a brief period whilst the owner is on holiday, in hospital etc. This is fully encompassed in the opponent's specification of temporary accommodation and/or holiday accommodation, as the opponent's specification is not limited to humans. Conversely, I do not regard the provision of day-nurseries as being temporary accommodation or holiday accommodation. Day nurseries provide an essential service by looking after workers children during the day enabling the parents to attend work. This service tends to be offered Monday-Friday every week of the year. Possibly the only time the child will not attend the nursery is when the parents take the child with them on holiday to the accommodation covered by the opponent's specification. A day nursery is therefore the antithesis of the provision of temporary accommodation for children. I also take into account the specialised training, criminal background checks and other authorisations required to provide or work in a nursery facility, it is a highly specialised service.

26) I next turn to consider the opponent's class 41 services with the class 43 services of the applicant. For ease of reference the specification of the opponent's mark UK 3081580 is shown below, where the whole of those items in bold form the whole of the opponent's mark UK 2572423 class 41 specification. Thus, only one comparison is required.

- **Class 41: Provision and operation of recreation and sports facilities; gym and fitness club services; provision of swimming pool facilities; fitness training services;** provision of teaching and coaching facilities for sports and recreational activities; sports training and teaching academies; organisation of sporting competitions; sport camp services; rental of sports equipment; rental of sports facilities; Providing of training; Entertainment; Sporting and cultural activities; **advisory, consultancy and information services relating to all the aforesaid services.**

27) In my opinion, none of these services can be said to be similar in any way to the applicant's class 43 services, and the opponent did not offer any submissions on this point. I note that in *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA, Lady Justice Arden stated that:

“49..... I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity.

28) Therefore, the opposition under section 5(2)(b) in respect of UK 3081580 must fail completely, it also means the opposition based upon the class 41 services under UK 2572423 must fail.


Comparison of trade marks

29) 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 them, 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.”

30) It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by them. As a result of my findings above there is only one mark that needs to be compared to that of the applicant. The marks to be considered are as follows:

Opponent's earlier mark	Applicant's Mark
TITANIC SPA	

31) The applicant contends:

“26. TITANIC is not the dominant and distinctive element of either of the earlier marks. First, the earlier services on which reliance is placed are not spa services and so “SPA” cannot be considered descriptive for them. Second, the mark as a whole TITANIC SPA conveys a different message to the word TITANIC alone. The earlier marks are composite marks.

27. Whereas the dominant element of the contested mark is the stylised word TITANIC and also the distinctive element for services not including hotels/accommodation.

28. Whilst there are visual and aural similarities when comparing the ‘TITANIC’ elements alone, the conceptual impression and overall impression is different.”

32) In my opinion, the applicant is taking too narrow a view as to the services on offer and how descriptive elements of each parties’ marks are in relation to these services. Both parties offer temporary accommodation and food and drink services, which is what any normal consumer would expect a hotel and /or spa to provide. To my mind, the words “Hotel” and “Spa” in the marks are therefore descriptive of such services and do not form the distinctive and dominant element which is clearly the word “TITANIC” in both marks. I note here that the applicant has not submitted that its

mark is anything other than the obvious (TITANIC HOTELS) albeit with a slight amount of styling. The additional words and styling cannot be ignored but as the initial word in both marks is identical then both visually and aurally, although there are differences these are far outweighed by the similarities. Conceptually, the marks are closely related as spas typically offer hotel accommodation and some hotels have spa facilities attached. **Overall, the marks are highly similar.**

Distinctive character of the earlier trade mark

33) 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).”

34) In *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of ‘distinctive character’ is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

“38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that ‘the more distinctive it is, either by inherent nature or by use, the greater the likelihood of

confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.'

40. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask 'in what does the distinctive character of the earlier mark lie?' Only after that has been done can a proper assessment of the likelihood of confusion be carried out".

35) The opponent's mark consists of a highly distinctive word "TITANIC" which is a well-known dictionary word meaning "of exceptional size, strength or power". Such a term would not normally be used in respect of any of the services offered by the opponent unless the building they occupied was significantly larger than any other type of hotel, restaurant etc in the country or the world. It is not a term which is commonly used in conversation. Clearly, the second part of the opponent's mark "spa" is highly descriptive for hotel, recreation services, swimming pool and gym services, restaurant and bar services, as such services are expected to be provided by a business describing itself as providing spa services. The mark is inherently distinctive for the class 43 services to at least a medium degree. The opponent has provided turnover figures for its spa business and also examples of media coverage. However, whilst the turnover figures are respectable, they are not put into perspective by way of market share. Being already inherently distinctive to a medium degree the opponent cannot, with such scant evidence, benefit from enhanced distinctiveness through use.

Likelihood of confusion

36) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the services,

the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind. Earlier in this decision, I concluded that:

- The average consumer will be concerned to ensure that the services meet their needs but the level of attention paid will vary depending on whether they are looking for a cup of tea or a five course meal to use just one example, the level of attention paid will vary between low and high.
- Overall, the services of the two parties are identical or not similar.
- The opponent's mark 2572423 is inherently distinctive to a medium degree, but the mark cannot benefit from enhanced distinctiveness through use.
- Overall, the opponent's mark 2572423 must be considered to be highly similar to the mark in suit.

37) From the above it is clear that where I have determined that there is no similarity between the services of the two parties the opposition must fail. The remaining services have been found to be identical, given the high degree of similarity of the marks, and allowing for the concept of imperfect recollection, even where the consumer pays a high degree of attention to the selection there is a likelihood of consumers being directly confused into believing that the services applied for and provided by the applicant are those of the opponent or provided by an undertaking linked to it. The opponent under section 5(2)(b) therefore succeeds against the following services in class 43: services for providing food and drink; temporary accommodation; reservation of temporary accommodation, rental of banquet and social function facilities for special occasions, namely, wedding receptions, conferences and meetings; boarding for animals.

38) The opposition in relation to the following items in class 43 fails as there is no prospect of direct or indirect confusion due to the absence of any similarity with the opponent's services in Class 43: day-nurseries (crèches).

39) I next turn to the ground of opposition under section 5(3) which reads:

“(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.

40) The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Addidas-Salomon*, Case C-487/07, *L’Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. 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* and *Environmental Manufacturing, paragraph 34*.

(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*).

41) I must first consider whether the opponent has shown it has the requisite reputation. In *General Motors, Case C-375/97*, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

42) The evidence filed by the opponent is far from overwhelming. Whilst it has turnover figures, it does not state the amount spent on promotion or provide evidence of its advertising. However, the witness does provide a clear narrative of the business and its progression. The opponent runs an upmarket spa which, as most consumers would expect, includes accommodation, restaurant and bar facilities as well as the standard spa treatments, swimming pool and gym. The turnover of just under £5 million is respectable if not market leading, the company has also won numerous awards. **To my mind, the opponent has cleared the first hurdle.**

43) I next turn to consider whether the average consumer will make the necessary link between the marks of the two parties. In carrying out this comparison I am aware that the level of similarity required for the public to make a link between the marks for the purposes of 5(3) may be less than the level of similarity required to create a likelihood of confusion (*Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P). Earlier in this decision I determined that the marks of the two parties had a high degree of similarity, and also found that the opponent's mark had a medium level of distinctiveness for its class 43 services. I note that earlier in these proceedings I found that "day-nurseries (crèches)" were not similar to any of the opponent's services. I am also aware that my finding that "boarding for animals" is identical to the opponent's "temporary accommodation; provision of holiday accommodation" may be controversial. However, if such services were offered within a spa, or hotel setting then I believe that there would be a link made with the services of the opponent. The

pat grooming industry and treating pets to luxuries seems to be on the increase as more people would appear to have more money than sense. To my mind, overall in relation to all the services applied for the average consumer would make a link to the mark in suit. There can be no doubt that the applicant would benefit from the opponent's hard-won reputation and damage would occur both by dilution of the mark and also by consumers taking their business to the applicant in the belief that they were dealing with the opponent. The applicant has offered no reasons for its choice of mark and so I cannot consider "due cause". **The ground of opposition under section 5(3) therefore succeeds in full.**

44) Lastly, I turn to the ground of opposition under section 5(4)(a) which reads:

"(4) 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, where the condition in subsection (4A) is met,

(aa)

(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."

Subsection (4A) of Section 5 states:

"(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application."

45) In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (Reckitt & Colman Product v Borden [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

46) Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

47) In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’ ”

48) The relevant date is therefore 23 December 2019. As stated earlier in this decision the opponent has shown it has a reputation and to my mind goodwill in its business under the sign claimed. Earlier in this decision I found that use of the mark in suit, actual or on a fair and notional basis would result in confusion with the opponent’s mark in respect of some of the services sought to be registered. Accordingly, it seems to me that, in relation to those services found to be identical that the necessary

misrepresentation required by the tort of passing off will occur. At the hearing Mr Longstaff accepted that where he succeeded or failed under 5(2)(b) he would succeed or fail under this ground.

49) The opposition under Section 5(4)(a) of the Act therefore succeeds in respect of “services for providing food and drink; temporary accommodation; reservation of temporary accommodation, rental of banquet and social function facilities for special occasions, namely, wedding receptions, conferences and meetings; boarding for animals”. However, the opposition fails under section 5(4)(a) in respect of “day-nurseries (crèches)”.

CONCLUSION

50) The opposition under Sections 5(2)(b) and 5(4)(a) is partly successful in respect of the following services in class 43: services for providing food and drink; temporary accommodation; reservation of temporary accommodation, rental of banquet and social function facilities for special occasions, namely, wedding receptions, conferences and meetings; boarding for animals”

51) The opposition under sections 5(2)(b) and 5(4)(a) fails in respect of the following service in class 43: “day-nurseries (crèches)”.

52) The opposition under grounds 5(3) succeeds in respect of all the services class 43 applied for by the applicant.

COSTS

53) As the opponent has been successful it is entitled to a contribution towards its costs.

Preparing a statement and considering the other side’s statement	£300
Expenses	£200
Filing evidence	£1000
Attendance at hearing	£1400
TOTAL	£2900

54) I order Aygün Turizm İnşaat Sanayi Ve Ticaret Anonim Şirketi to pay Property Renaissance Limited the sum of £2900. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against the decision is unsuccessful.

Dated this 9th day of June 2021

George W Salthouse
For the Registrar,
the Comptroller-General