

O-096-10

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO 2444000**

**BY THE MELFORT CLUB**

**TO REGISTER IN CLASSES 16, 36, 41, 43 & 44 THE TRADE MARKS:**

**THE MELFORT VILLAGE**

**&**

**MELFORT VILLAGE**

**AND**

**IN THE MATTER OF OPPOSITION NO 97581 BY**

**MELFORT PIER HOLIDAYS LIMITED**

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**and**

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Melfort Pier Holidays Limited**

### **Background**

1. On 18 January 2007, The Melfort Club (“Club”) applied to register the above series of trade marks for the following goods and services:

**Class 16:** Stationery; stationery relating to holidays; books; newsletters, holiday guidebooks; brochures; booklets.

**Class 36:** Time share management services.

**Class 41:** Providing sports and leisure facilities; provision of leisure facilities.

**Class 43:** Holiday village services [accommodation]; provision of self catering holiday accommodation; rental of holiday accommodation; rental of temporary accommodation; restaurants; bar; catering; hotel and guest house services; arranging of time share holidays.

**Class 44:** Beauty salons; beauty therapy services; beauty therapy treatments; massage services; health spa services.

2. Melfort Pier Holidays Limited (“Pier”) opposes the registration of Club’s application on the following ground:

Under section 3(1)(c) of the Trade Marks Act 1994 (“the Act”) because:

“Both together and separately, the words “Melfort” and “Village” do no more than describe a geographical location, the village Melfort. The opponent avers that the addition of the definite article makes no difference to the position.”

3. Club filed a counterstatement accepting certain statements made in Pier's opposition but denying the ground on which the opposition is made. One of its denials reads:

"The words MELFORT VILLAGE do not describe a geographical location. The words were coined in 1990 to brand a new self catering facility which was completed in 1989. The words designate exclusively services provided by [Club] under the trade mark MELFORT VILLAGE. The words have not been used before or since 1990 to describe a geographical location and are used solely to designate the services and facilities provided by [Club]."

4. Both sides filed evidence, a summary of which follows. The matter then came to be heard before me on 18 September 2009 where Club were represented by Mr Ian Silcock of Counsel, instructed by ip21, and Pier were represented by Mr Henry Ward of Counsel, instructed by Silverman Sherliker LLP.

#### **Preliminary matter – missing evidence**

5. The evidence filed in these proceedings is summarised below. However, I must record at this stage an issue relating to a piece of evidence that was missing from the bundle before me at the hearing. At Exhibit CR52 of Ms Roberts' evidence (on behalf of Club) there is said (according to Ms Roberts' accompanying witness statement) to be an exchange of correspondence between Club and Argyll and Bute Council. Only the letter to the Council (and not their response) was in the evidence before me. The response is said to explain the Council's view of the geographical area of Melfort/Melfort Village.

6. Unfortunately, neither side's Counsel picked up on this omission at the hearing, I did not spot it either. Nevertheless, upon writing this decision the omission became apparent and given that the evidence contained the view of the relevant local authority as to the meaning of the designation Melfort/Melfort Village, I considered it appropriate for this issue to be raised with the parties. Club could not explain why the letter was missing from the evidence before me but confirmed that it was on its case file and, therefore, the evidence must have gone astray, be it lost in transit, lost within the Intellectual Property Office, or simply not inserted when the evidence was put together in the attorney's office. Club sought leave to have it admitted. Pier made no formal objection to this, nor did it wish, despite being given the opportunity to do so, to file reply evidence. Taking into account all this, and given its potential relevance (although it does not have to be determinative), I accepted the missing letter into the proceedings. As this letter was not before me at the hearing, both parties were given an opportunity to make written submissions as to its relevance to their respective cases; neither party chose to do so. In view of the foregoing, the letter will be taken into account and will form part of the evidence summary set out below.

### **Pier's main evidence**

7. The evidence is given by Mr John C Christlieb who is a director of Pier. He begins by referring to Club's business which he says relates to the operation of self-catering holiday facilities and, in particular, timeshares. He refers to where Club's business is conducted. He does so because in its counterstatement Club says that its business is in the village of Kilmelford, by Oban. Mr Christlieb states that Melfort Village is not located in Kilmelford because Kilmelford is more than a mile away. His witness statement includes a map (from the Ordinance Survey website) which shows the designations Melfort and Kilmelford as two separate locations. Further maps are provided in Exhibit JCC1 which also show this.

8. Mr Christlieb states that there is a postal district of Kilmelford which covers a large area including the postcodes covering Melfort Village. Exhibit JCC2 is a letter from the Royal Mail which confirms that both Club's and Pier's addresses use Kilmelford. Neither Melfort nor Melfort Village appear in either of the addresses given by the Royal Mail.

9. Mr Christlieb states that the place in which Club operates is the area depicted on the maps as Melfort. He also states that the existence of a village at Melfort is not new. He refers to Club's own marketing materials (he provides some examples in Exhibit JCC3) and he highlights the following text:

“Charles and Helen Stott purchased the Estate in 1982 with the foresight and imagination to re-establish the derelict 19<sup>th</sup> Century gunpowder village that was laid waste in 1867 as a result of a magazine explosion. In the last few years, they have recreated the village along traditional lines.”

10. In response to the applicant denying (in its counterstatement) that the collection of houses in the Melfort area is described as Melfort Village, Mr Christlieb refers to information in Pier's statement of case where Melfort Village is given as Club's address and where its headquarters are. He also refers to Exhibit JCC4 which is one of Club's brochures, the following extract is highlighted:

“Melfort Village is a small holiday village nestled in the hills and oak woods at the head of Loch Melfort...”

11. Mr Christlieb says that the collection of houses is described locally as Melfort Village. He does not provide any third party evidence to support this proposition. He states that the designation used by Club in relation to its services is THE MELFORT CLUB and that Melfort Village is merely its address.

12. Mr Christlieb refers to Pier's own business which he says is operated in Melfort Village. He states that Pier (then known as Henravern Properties Limited) acquired the land known as the Melfort Pier in 1990. Exhibit JCC5 contains the relevant change of name certificate and a copy of a 1991 report of directors

which states that its principal business activity relates to holiday apartments. He states that the business is provided under the name MELFORT PIER & HARBOUR. He refers to Exhibit JCC6 which is a letter from the Argyll and Bute Council relating to planning permission - the trading name, as mentioned above, is used here. I note that when identifying the location it states

“ at Melfort Pier, Kilmelford ...”.

This exhibit also includes a further letter from the Council from 2007 addressed to “Melfort Pier and Harbour” which uses Melfort Village as part of the address.

13. Exhibit JCC7 contains various press articles and a brochure about Pier’s business. None of these refer to Melfort Village. Two refer to Pier’s business as being on Loch Melfort. Exhibit JCC8 provides copies of some tourism awards that Pier has won. Mr Christlieb states that Pier’s promotional spend ranges from just over £4000 (in 2002) to just over £15,000 (in 2006). Pier’s annual income ranges from £388,029 (in 2002) to £470,317 (in 2007).

14. Mr Christlieb states that the fact that there is, historically and currently, a village in Melfort means, regardless of the use by Club, that it will not acquire distinctiveness. He states that no one would believe that Melfort Village is anything other than a geographical location which is, in fact, the way Club use the term.

15. Reference is made to Exhibit JCC9 which consists of further material put out by Club (Mr Christlieb says that this was printed around 1987) and he highlights the use of the words:

“Just off the village’s stone pier....”

16. Further material put out by Club is provided in JCC10. Mr Christlieb notes that this includes references to “Melfort Village” or the “village of Melfort” as a location.

17. He concludes his evidence by admitting that Pier once applied for the trade mark MELFORT VILLAGE but that this was withdrawn following opposition by Club. The reason for withdrawal was that it was explained to Pier (who provided this explanation is not clear) that the Registry would not register a mark for a geographical location.

## **Club's main evidence**

### *Witness statement of Ms Christine Roberts*

18. Ms Roberts is Club's manager. She begins by referring to the use that Club has made of the sign MELFORT VILLAGE. She states that the sign is the business name and trade mark under which Club provide self-catering holiday facilities, including time-share ownership services. She states that Club is an association of the owners of the free-hold and time-share properties and that it is also the manager of the properties in the resort on behalf of its members. Ms Roberts states that a company, Cruachan Trustees Limited, is the trustee proprietor of the properties that comprise the MELFORT VILLAGE resort.

19. Ms Roberts states that Club began trading in 1983 under the name "The Melfort Club" when the holiday resort now known as MELFORT VILLAGE was first conceived. She states that the trade mark MELFORT VILLAGE was first used by Club in 1990. In addition to the provision of self-catering holiday facilities, Club also operate a gift shop which, she says, sells various items of merchandise bearing the trade mark MELFORT VILLAGE. Sales figures are provided from 2002-2006. They are made up of timeshare maintenance, commission from timeshare sales, rental income (including commission) and gift shop sales. Total sales range between £600k and £900k. The biggest proportion relates to timeshare maintenance (ranging between £400k and £480k). The gift shop sales range from £12k to £18k. In terms of promotional expenditure in the same years, this ranged from £4k to just under £9k.

20. Various exhibits are provided showing the nature of Club's use in brochures, advertisements etc. I will provide a brief breakdown of them:

CR1 – This is an advertisement in *The Journal, Glasgow Chamber of Commerce* dated July 1990. The front page carries the words MELFORT VILLAGE together with a ship logo. The text of the advertisement makes no mention of Melfort Village. It instead refers to Melfort. It refers to the fact that the site was an original village that was laid waste in 1867. The logo mentioned above is replicated below:



CR2 – This is a brochure put out in October 1990. The primary sign used is the word MELFORT with a ship device (similar to the logo depicted above). On the front page are the words (in address format): MELFORT VILLAGE, Melfort House, Kilmelford by Oban, Argyll, PA34 4XD. Inside the brochure is a reply to address – replies are to be directed to Charlie Stott, the wording (address format) as per the front of the page is then given.

CR3 – An advertisement from November 1990 in the *Scottish Times*. This carries the headline “A home forever by Loch Melfort in a restored 19<sup>th</sup> Century village”. It adds: “Melfort, the only timeshare village in the beautiful West Highlands of Scotland.” This advertisement also carries the MELFORT VILLAGE and ship logo.

CR4 – A promotional letter (from November 1990) put out by *Caledonian Village Estates* to its “holiday seekers”. It refers to two superb Scottish resorts on offer, one being “Melfort Village, at the head of a West Highland sea-loch near Oban”. It adds “Melfort is a skilful blend of carefully restored, 19<sup>th</sup> century estate cottages with a few purpose built houses”.

CR5 – A promotional leaflet from 1990. It carries the MELFORT plus ship logo. It has an estate plan. The contact details are: Melfort Village, Kilmelford, by Oban ...”. Reference is made to “Melfort” throughout the text e.g. Melfort is within easy reach of spring skiing, and, that boat trips can be organised from the Pier at Melfort. It also refers to “the estate” a number of times.

CR6 – An advertisement from January 1991 in *RCI holiday directory*. It carries the headline “Things are pretty wild at Melfort”. The text uses the word Melfort throughout e.g. “Melfort timeshare has a natural appeal...” and “Melfort truly is where the action is”. The leaflet carries the MELFORT VILLAGE and ship logo at the bottom centre. The contact address is “The Melfort Club, FREEPOST, Oban...”.

CR7 – An advertorial from the *Echo* dated January 1991. It refers to a Melfort Club Timeshare meeting. It refers to a spokesman for Melfort whose time share holidays are linked to a privately owned fully restored 19<sup>th</sup> century village. Reference is made to Melfort Village located in the Argyllshire region which retains much of its original character. It is added that the village is protected by charter from further development.

CR8 – A promotional leaflet from November 1992. It refers to Melfort in the body of the text e.g. “It’s no wonder that Americans are in love with Melfort. This beautifully restored 19<sup>th</sup> Century village overlooking a sea loch”. The MELFORT VILLAGE and ship logo is used on this page. The contact address is: Melfort Club, FREEPOST, OBAN, Argyll.

CR9 – Another promotional leaflet featuring the MELFORT VILLAGE ship logo. The contact details are: Melfort Village, Kilmelford. It uses words such as “Melfort Village lies amid some of the most beautiful scenery..”. I note from this brochure that Kilmelford is said to be 1 1/4 miles away.

CR10 - A small advertisement (amongst many) placed in the *Scotsman Weekend* dated 10 July 1993. It uses plain font and says MELFORT VILLAGE, Near Oban Argyll. Special prices for July...”. To receive a brochure, the contact details are “Melfort Village, Kilmelford...”. Similar advertisements are shown in CR11 (in *The Evening Times* dated 15 August 1995) and CR12 (in *West Highlands and Island of Argyll '94*). In these exhibits, I note that the other advertisements on the page often (although not exclusively) feature as the most prominent element a simple geographical location (e.g. Argyll Coast, Isle of Jura, Isle of Mull) with contact details as basic as a telephone number being provided. Exhibit CR25 is also similar in nature to CR10 but this comes from *Scotland Trust Magazine* (spring 2003).

CR13 – An advertisement in the 1995 edition of *West Highlands and Islands of Argyll*. This appears to be a list of self-catering accommodation categorised against particular locations. For Kilmelford, a number of facilities are offered including that of Pier (Liz Stewart, Melfort Pier Harbour Ltd, The Pier, Melfort, Kilmelford, by Oban...) and Club (Melfort Village, Kilmelford, by Oban...). CR14 is the 1996 edition of the publication but only Club is listed this time.

CR15 – An extract from *The Sunday Times* dated 2 February 1997. In a list of “best places for do-it-yourself breaks” both Pier and Club are listed. Club is listed as “Melfort Village. Near Kilmelford south of Oban”. A description of Club’s facilities then follows. In relation to Pier it says “Melfort Harbour Cottages. Same area as [Club] but on waterside”. I note that the other places are: Craigendarroch, Cameron House, Kilconquhar Estate, Dalfaber Golf and Country Club, Coylumbridge (Stakis timeshare village) & Aucharannie House.

CR16 – An extract from *The Sunday Times* from July 1997. It is an article about dining in the Loch Melfort area. It includes the statement: “The closest restaurant is the Shower of Herring which you will find within the Loch Melfort village timeshare complex nearby.

CR17 – An extract from the *Weekend Telegraph* dated July 1997 where a reader has stated “I recommend Melfort Village, Kilmelford, near Oban. This was a timeshare group of up-market stone built cottages, but some are now let for holidays.”



CR18 – This is a letter from Pier to Club. It is written to Andrew Thomson Chairman, Melfort Village. The body of the letter refers to Melfort Club and it is to do with rights of access to the Melfort Pier and that Pier suggests that Club may at some point take over the management of Pier's houses.

CR19 – This contains a letter (from 1999) from the Scottish Tourist Board to: Mrs C Roberts, Melfort Village, Kilmelford, Oban, giving a tourism award. Also included is a brochure named *RCI Directory of Resorts* which features Melfort Village, alongside other resorts such as Moness Country Club, Scandinavian Village & Portsonachan Country Club. The address of Melfort Village is given as: "Melfort, Kilmelford by Oban....". CR33 is a similar letter, but this time addressed to "Cath Manchester, Melfort Village, Kilmelford..."

CR20 – This is a promotional leaflet from February 2000. It features the MELFORT VILLAGE and ship logo. It includes the text "Melfort Village is a small holiday village nestled in the hills and oak woods at the head of Loch Melfort. It also states: Melfort Village is one of the most successful timeshare operations in Scotland. The contact details are: "Melfort Village, Kilmelford..." In relation to the estate, it is stated that the estate was divided and the part now known as Melfort Village was slowly and carefully restored to provide an exceptional holiday village unique to Argyll. References are made to cottages within the inner village. Exhibit CR31 is a similar promotional leaflet from June 2003. CR31 & CR44 contain similar leaflets.

CR21 – This is a tourist board accommodation guide published in 2000. Under Kilmelford, by Oban both Pier and Club are listed. Pier as "**Melfort Pier & Harbour**, Kilmelford by Oban..." and Club as "**Melfort Village**, Kilmelford by Oban....". A similar extract is shown in CR23 but from 2001.

CR22 – This is an archive print from Club's website from March 2001. It is headed MELFORT VILLAGE. The ship logo is separate and to the left of these words. It uses similar text to CR20 when describing Melfort Village's rural location and its history. It has an e-mail contact point as: [rentals@melfortvillage.co.uk](mailto:rentals@melfortvillage.co.uk).

CR24 – This is an advertisement from 2003. It features a map of the area which shows Kilmelford and, close by, an entry for Melfort village pier. Two advertisements are highlighted underneath the map. One is for the Shower of Herring restaurant and bar, its address is given as "Melfort Village, Kilmelford...", the other is for MELFORT VILLAGE (the ship logo is directly next to it) which is described as "*the* self-catering location on Scotland's West Coast".

CR26 – An advertisement in *Herald magazine* dated May 2003. Also similar in nature to CR10 in that it is a small advertisement amongst many (some of which are headed with a basic geographical location) but the ship logo is alongside Melfort Village. CR27 (*Sunday Herald* from June 2003), CR28 (*The Herald magazine* dated June 2003), CR29 (*Sunday Herald* from June 2003) & CR30 (*The Oldie – UK holidays* dated June 2003) are all also similar to this.

CR32 – An extract from the *Romford Recorder* from August 2004. It begins “Melfort Village in Scotland used to be a gunpowder base. Now it is a leading holiday village”. It ends with “Melfort Village can be contacted on...”. CR34 (*Lincolnshire Echo* dated 4 September 2004) and CR35 (*Evening News* dated 1 October 2004) carry an identical (or at least very similar article) to CR32.

CR36 – An extract from the *Daily Record* relating to Easter holidays. It lists: “Melfort Village, Kilmelford, Argyll. Haven of 23 different stone cottages on the west coast...” Other listings include Southernness Holiday Village.

CR37 – This is a letter from *Undiscovered Scotland* dated 31 October 2005 about Club advertising with them in the previous year. It is addressed to: “Christine Roberts, Melfort Village, Kilmelford...”

CR38 – This is an article from the *Dundee Courier* from October 2005. It states that the writer had just returned from a two week holiday at Loch Melfort and that he stayed in a cottage at the timeshare complex at Melfort Village. It also states that the Shower of Herring is part of the Melfort complex.

CR39 – This is an area and accommodation guide from 2006. Both Pier and Club are listed.

CR41 – this is a print from *ICSCOTLAND.CO.UK* from August 2006. It features places for an Easter visit. Melfort Village, Kilmelford is listed as one. Others include Seton Sands Holiday Village.

CR42 – This is an accommodation guide from *Visit Scotland*. Melfort Village is listed. Other listings feature names such as Tralee Bay Cottages, the Carthouse Lofts etc.

CR43 – A 2007 accommodation guide. Melfort Village is listed. It is described as being in a peaceful village setting.

CR45 – A copy of Club’s compliments slip. It features the MELFORT VILLAGE and ship logo. The address is simply given as: “Kilmelford, by Oban...”.

CR46 – A photocopy of a tea towel featuring the MELFORT VILLAGE and ship logo.

CR47 – A postcard depicting what is said, on the back of the postcard, to be Melfort Village. The MELFORT VILLAGE and ship logo is also present.

21. In relation to Pier’s evidence, Ms Roberts states that Pier’s use of the words Melfort Village are the only instances of others using the term and she assumes that this is being done to support the opposition rather than as the correct use of an address. She refers to the letters in Exhibit CR18 in which Club use Melfort Village as what, she says, is a trading style and that Pier wrote to the Chairman of Melfort Village. Ms Roberts highlights that prior to 2007 Pier did not use the designation Melfort Village. Exhibit CR51 is an extract from Pier’s own web-site in which, in the “how to get here” section, there is no mention of Melfort or Melfort Village.

22. Ms Roberts states that she has lived in Kilmelford for all but two of the last 36 years. She states that the whole area (extending from about 1 mile down the Dengish Road until just before Ardenstur cottages) is known as Melfort and has historically always been known as such. She states that Club’s holiday facility is located in Kilmelford which is, itself, a village.

23. Ms Roberts does not dispute that Melfort has geographical significance. However she notes that maps do not carry any reference to Melfort Village. She provides an example of a map in CR50. She states that the area of Melfort is a popular holiday destination and that there are a number of businesses in the area that serve the tourist trade and that use Melfort as part of their trade name and/or trade marks. She states that Club is the only one that uses the phrase MELFORT VILLAGE as a trade mark.

24. Ms Roberts states that Club operates two facilities, namely, the Melfort Club and Melfort Village. Melfort Club is located physically within the grounds of the Melfort Village facilities.

25. Exhibit CR52 is an exchange of correspondence with Argyll and Bute Council explaining the correct use of Melfort and the naming of settlements in the area. The letter from the Council in response to Club’s enquiry includes a number of maps on which Melfort appears. The letter states:

“Melfort never seems to have been in use as a settlement or village name. The 19<sup>th</sup> century maps would suggest it was used for a scattered collection of properties presumably all on Melfort Estate at that time and many likely

to be houses for workers in the gunpowder works. I have no information on the area Melfort Estate covered in the 19<sup>th</sup> century but I assume it was at least the area covered by the two parts of Melfort Home Farm shown on the enclosed plan and the area in between which forms your Melfort Village and Melfort House.”

26. The letter then refers to a post code (PA34 4XD) which it says includes properties which should never use Melfort as a designator. It refers to two properties which do use Melfort in their postal address which the Council considers appropriate as an unofficial designator. It says the Council is considering what should be done in relation to names that merely refer to groups of properties rather than an actual village. It then confirms that:

- “1. The official Royal Mail address for PA34 4XD is Kilmelford, Oban;
2. The council has no objection to Melfort, Kilmelford, Oban being used;
3. The council does not consider that the use of Melfort Village as a business name raises any addressing issues for other properties in the area.”

27. Ms Roberts refers to the application by Pier for a trade mark for MELFORT VILLAGE and MELFORT HOLIDAY VILLAGE which were withdrawn following Club’s opposition. She states that Mr Christlieb was a member of Club and an owner of a time-share at MELFORT VILLAGE (and that he remains an owner).

28. Ms Roberts provides (Exhibit CR48) a copy of an open record of the Court of Session concerning legal proceedings issued by Pier against Club (and its trustee and certain individuals). Ms Roberts highlights that Pier state “Melfort Village is a timeshare resort....” and that Cruachan Trustees Limited “are the heritable proprietors of the Melfort Village resort, as trustees for the Melfort Club”. Ms Roberts states that Pier should not be able to resile from that position.

29. Ms Roberts states that MELFORT VILLAGE is used as a trade mark, the name being coined to describe the resort when it was first developed. She refers to Exhibit CR49 which is a letter from the Royal Mail stating that the correct address of both Pier and Club is Kilmelford, Oban.

30. She refers to Pier’s business noting that its holiday resort adjoins that of Club. She adds that Mr Christlieb and Pier have a difficult relationship with Club. She states that in a recent AGM of Club Mr Christlieb tabled 10 resolutions that were rejected by a huge majority. She believes that Pier’s opposition is filed to disrupt Club’s activities.

*Witness statement of Thomas Farrand*

31. Mr Farrand is Club's trade mark attorney. In relation to Pier's use of Melfort Village (in Mr Christlieb's evidence, in Pier's notice of opposition, and on its web-site) it is highlighted that Pier's address on the Companies House records (TF1) and on Pier's own trade mark registration (TF2) makes no mention of Melfort or Melfort Village; Kilmelford by Oban is instead used.

32. In exhibit TF3, Mr Farrand provides a number of extracts from an archive of Pier's web-site (the extracts were obtained from the archive web-site Wayback Machine). They show that on 25 November 2003, 27 November 2004, 19 November 2005, 1 May 2006 & 20 June 2006 Pier did not use Melfort Village in its address. This changed on 4 August 2006 to include Melfort Village in its address and a further print from 13 November 2006 also shows this. Mr Farrand notes that on 31 August 2006 Mr Christlieb applied to register the trade mark MELFORT VILLAGE in his own name (it was later assigned to Pier). He notes that Mr Christlieb states that this application was withdrawn following opposition because it was explained that the Registry would not register a geographic location as a trade mark – Mr Farrand highlights that the Registry did not object to the application and, furthermore, Club's opposition was based on sections 3(6) and 5(4)(a).

**Pier's reply evidence**

33. This, again, comes from Mr Christlieb. He states that much of Club's use is of a variety of different signs and that its reputation may be diffused by this.

34. He highlights that other villages (such as Kilmelford and Kilmarten) do not have the word VILLAGE on a map (map examples are provided in his witness statement). He highlights that other places commonly known as villages such as Greenwich Village and Hampstead Village do not carry the word VILLAGE on a map (map examples are, again, provided). He adds that Royal Mail saying that Melfort Village is not part of an address is not conclusive of whether or not a term is a reference to a geographical place.

35. Mr Christlieb highlights that use by third parties is of a description to describe the "village" in "Melfort". This he says, is not trade mark use but descriptive use. He highlights, in particular, exhibits CR7, CR16 & CR32 of Ms Roberts's evidence. Mr Christlieb also states:

"I have already explained the connection between the village and Mr Charles Stott in paragraphs 8 and 9 of my previous statement dated 21 January 2009. The village that Mr and Mrs Stott initially purchased, and the village referred to by Mr Stott in the article shown in Exhibit CR7, has now been divided into more than one part. The land currently occupied by the applicant and by the opponent, as well as parts of the adjacent land,

are all collectively referred to as the Melfort Village, or the village of Melfort.”

36. He states that any animosity between Club and Pier is based on Pier being prevented from describing its business as being in Melfort Village or a village in Melfort. He accepts that he has added Melfort Village to the address on his website, but that this is entirely appropriate in order to refer to the address of a business which is situated in the small collection of houses collectively referred to as Melfort.

### **Section 3(1)(c) - the legislation and the leading authorities**

37. Section 3(1)(c) states that the following shall not be registered:

“trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering services, or other characteristics of goods or services.”

38. The dispute centres on an allegation of geographical designation. The parties are agreed that the leading authority on this is the judgment of the European Court of Justice (“ECJ”) in *Windsurfing Chiemsee* (Joined cases C-108/97 and C-109/9) (“*Chiemsee*”) where it was stated

“37 In view of the foregoing, the answer to the questions on Article 3(1)(c) of the Directive must be that Article 3(1)(c) is to be interpreted as meaning that:

- it does not prohibit the registration of geographical names as trade marks solely where the names designate places which are, in the mind of the relevant class of persons, currently associated with the category of goods in question; it also applies to geographical names which are liable to be used in future by the undertakings concerned as an indication of the geographical origin of that category of goods;
- where there is currently no association in the mind of the relevant class of persons between the geographical name and the category of goods in question, the competent authority must assess whether it is reasonable to assume that such a name is, in the mind of the relevant class of persons, capable of designating the geographical origin of that category of goods;
- in making that assessment, particular consideration should be given to the degree of familiarity amongst the relevant class of persons with the geographical name in question, with the characteristics of the

place designated by that name, and with the category of goods concerned;

- it is not necessary for the goods to be manufactured in the geographical location in order for them to be associated with it. “

39. The ground of opposition must be interpreted in light of the general interest underlying it (see, to that effect, the judgments of the ECJ in Case C-37/03P, *Bio ID v OHIM*, paragraph 59 and Case C-273/05P *Celltech R&D Ltd v OHIM*). In relation to section 3(1)(c), and in relation to the issue of geographical designation, *Chiemsee* highlights that the interest pursues an aim of ensuring that geographical names which may serve to designate the geographical origin of the relevant goods/services remain free for the use by other traders. The ECJ stated in *Chiemsee*:

“25 However, Article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks. Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.

26 As regards, more particularly, signs or indications which may serve to designate the geographical origin of the categories of goods in relation to which registration of the mark is applied for, especially geographical names, it is in the public interest that they remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response.”

### **The geographical location “Melfort”**

40. In terms of my assessment, it is useful to begin with an examination of what the indication Melfort designates. Melfort appears as a geographical indication on a number of maps. Mr Christlieb includes one in his witness statement which has been taken from the Ordnance Survey website. Two further maps are shown in Mr Christlieb’s Exhibit JCC1 – they are official maps from Argyll and Bute Council. All these maps show Melfort as a location on the north eastern shore of Loch Melfort. Club’s evidence also supports that Melfort has geographical significance, indeed, Ms Roberts states:

“The whole area (extending from about mile down the Dengish Road until just before Ardenstur cottages) is known as “Melfort”, and has historically

always been known as such. The applicant's holiday facility MELFORT VILLAGE is located in Kilmelford, which is indeed itself a village.

There is no dispute that the word Melfort has a geographical significance. This can be seen from the extracts from the Ordinance Survey Maps. There is no reference to Melfort Village. There is now produced and shown to me marked Exhibit 50 further extracts from historical maps of the area. The dates of these maps go as far back as 1732, and you will note that there is no reference to or use of the term "Melfort Village".

41. Pier run a business in the area that would, from the evidence, be described as Melfort. This appears to be in close proximity to Club's business which is also in Melfort. I come to this view despite Ms Roberts' evidence where she says that:

"The applicant's holiday facility MELFORT VILLAGE is located in Kilmelford, which is indeed itself a village."

42. It seems to me that Ms Roberts is referring here to the fact that Kilmelford is an extended area that, effectively, takes in Melfort. This is supported by both sides evidence from Royal Mail and by the categorization in a number of the accommodation guides where both Pier's and Club's business entries are underneath the Kilmelford designation. I also note from Ms Roberts' evidence that the actual village of Kilmelford is just over a mile away from where Club's business is situated. But it is, though, clear that Club's business is in the area of Melfort. This can be seen from the plan of Club's business (see, for example, Exhibit CR5) compared to the maps of the area.

43. Other than the businesses of Pier and Club there seems to be little else in the area of Melfort, although, I note from Ms Roberts' evidence that there are some other businesses serving the tourist trade in Melfort. The letter from the Argyll and Bute Council also makes reference to two other addresses that use the designation Melfort, although, I note that the Council refers to this as an "unofficial designation".

44. Given that one of the factors highlighted by the ECJ in *Chiemsee* relates to the degree of familiarity with the geographical name in question I should set out, as a starting point, what degree of familiarity the relevant public has of the location Melfort. The relevant public to consider here is the UK public at large given the nature of the goods and services sought to be registered. Whilst there are examples of both Pier's and Club's business being advertised in various publications, and, so, the existence of Melfort and/or Loch Melfort may have also been promoted to a certain extent, the intensity and nature of such promotion is limited. There is no evidence to suggest that Melfort is a generally known location. The fact that Club themselves describe Melfort as a popular tourist destination does not alter this as this may represent nothing more than the fact that Club's business (and also Pier's) has been popular, but as the business



consists of just over 20 properties (Pier's business is even smaller) then this does little to support that the place is more generally known. In relation to parts of the UK outside Scotland, and even though some of the promotion has occurred in national publications, the degree to which Melfort is known must be extremely limited. The relevant public in Scotland may be more familiar with the place (although the evidence does not paint a compelling picture of the relevant public being very familiar with it), familiarity may be higher again in the Oban area or the area which takes in Agyll and Bute. On the whole, though, the degree of familiarity is low. For the small numbers of the relevant public that know of the place then they will know it as a small remote location on the west coast of Scotland with a pleasant natural environment making it a suitable place for holidays.

### **Is there a village in Melfort?**

45. This is clearly one of the most critical questions to this dispute. The word "village" is defined in the Collin's English Dictionary as:

**"village 1.** a small group of houses in a country area, larger than a hamlet.  
**2.** The inhabitants of such a community collectively."<sup>1</sup>

46. In terms of identifying whether there is a village in Melfort I agree with Mr Ward that it matters not whether the word village appears on any map. Many villages will appear simply by reference to their geographical name, such as, for example, Kilmelford. What matters, though, is whether, as a matter of fact, such a place is a village.

47. There can be no dispute that Melfort is in a country area. From the evidence, it also clear that Club's facility is made up of a small collection of houses (around 23) and that Pier's business, which is in close proximity, is also made up of a small collection of houses (around 12) in and around the pier. On the most basic of definitions, it could be argued (Pier clearly did at the hearing before me) that this constitutes a village and that Melfort Village merely describes this small collection of houses i.e. a village situated in Melfort.

48. I clearly understand the argument, but I am conscious that the understanding of words should not be constrained by the vacuum of a dictionary. Words must be given context and one must have regard to the normal understanding that a member of the relevant public would take from a word. A village would be understood as a centre of habitat, albeit a small one. One would expect it to have, perhaps, a local shop, a church, a post office. None of these are essential characteristics, but they build to form what one would expect to find in a village.

49. Club's business is, effectively, a time-share resort. This means that the houses in the resort are jointly owned by people who holiday in the same

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<sup>1</sup> There are other references but none that take the matter further forward.

property on a regular basis (normally annually). The resort has its own swimming pool and restaurant (the Shower of Herring). Club manages the properties on behalf of the time-share owners. None of this strikes me as what one would normally understand a village to be. It may be described as a holiday village or a holiday resort, but not a village per se. Similar observations can be said about Pier's business. The fact that Pier's business is located in the same proximity does not, any more or any less, make the collection of houses an actual village. Furthermore, the fact that there may be other houses in the area unconnected to Club or Pier does not create a village. No evidence has been filed as to where, in relative terms, they are located, nor how many there are.

50. Pier refers to various uses by Club that, it says, show it using Melfort Village as a description and referring to the word village in a descriptive sense. Whilst it may be possible to criticize Club for the manner of some of its use and the clarity of its promotional message, it seems to me that Club have intended to use Melfort Village as a reference to its holiday resort. The use does not describe the simple geographical location of where its services are provided. Uses of the word village in the text of its promotional material is more a cross-reference back to its village (the resort itself) rather than as a geographical description. In any event, inappropriate use would not, in itself, create an actual physical village. It either exists or it does not. Similar observations can be made in relation to the other uses such as advertorials and newspaper articles – whilst some are inconclusive, the majority come back to the fact that Melfort Village is a resort or holiday village rather than an actual village – this is the sense that I take from most of them.

51. As a matter of fact, my finding is that there is no actual village in Melfort. This is supported by the letter from the Council at Exhibit CR52 in which it seems to regard Melfort merely as an area with some properties within it but with no village. Melfort is, therefore, simply a small geographical location in which two time share/holiday rental businesses are run. There may be other small isolated businesses (bed and breakfast accommodations for example) and properties, but there is no evidence that they are situated in or around a village or form part of a village.

### **The historic village in Melfort.**

52. It is clear from the evidence that some form of village may have once stood in Melfort. It was, however, destroyed in 1867 following an explosion. This stems from the fact that it was a gun-powder base located in the Melfort Estate. Prior to the explosion and dereliction, it is reasonable to assume that this was more akin to an actual village populated by the gunpowder workers and, perhaps, those who worked on the estate. It is also clear from the evidence that Club's business is, to some extent, a recreation of the historical village. Some of Club's accommodation consists of re-developed cottages with some newly developed property. I also note that the historical village may go wider than that occupied today by Club's resort. Mr Christlieb states in his evidence that:

“The village that Mr and Mrs. Stott initially purchased, and the village referred to by Mr Stott in the article shown in Exhibit CR7, has now been divided into more than one part. The land currently occupied by the applicant and by the opponent, as well as parts of the adjacent land, are all collectively referred to as the Melfort Village, or the village of Melfort.”

53. This evidence is not challenged. Whilst Mr Silcock denied that this was the case, little reason was given to support his submission. Both Club’s and Pier’s business could, therefore, be regarded as being partly recreated from the historic village in Melfort.

**Does the mark describe a characteristic of the goods/services?**

54. I will focus on the mark MELFORT VILLAGE. Both sides agreed at the hearing that the addition of the definite article in the other mark makes no difference. The primary proposition is whether MELFORT VILLAGE is a sign which should be kept free for other traders to use - the test is whether it is reasonable to assume that the place name is, in the mind of the relevant public, currently designating or capable of designating the geographical origin (or location of provision) of the goods and services sought to be registered.

55. I have found that Melfort is a geographical location. The applicant’s own evidence confirms this fact. However, the degree of familiarity that the geographical name MELFORT enjoys with the relevant public is low. Given this, I have doubts whether Mr Ward is correct when he argued that the name Melfort itself would fall foul of an objection under section 3(1)(c) of the Act. My doubts are even stronger when considering the type of service in class 44 as the likelihood of the relevant public expecting this place to be the location of such services (beauty salons etc) is extremely low.

56. However, even if I cast aside the doubt that I have in relation to Melfort itself, the mark must, of course, be considered in totality and to that extent I have also found that there is no village, as such, in Melfort. Mr Ward submitted that putting the word VILLAGE alongside a geographical name such as Melfort means that the resulting whole would be seen as nothing more than a geographical designation. He said that there could be rare exceptions where this would not be so (for example, New York Village because New York would never be regarded as a village due to its size), but in relation to Melfort only a geographical reference would be taken. I understand the argument, but if Melfort is not a village then I do not see how this argument can succeed. Melfort Village is not, in my view, currently used to designate the goods and services. Furthermore, I do not see how it can be reasonable to assume that the sign is, in the mind of the relevant public, capable of designating that the goods come from or are provided in Melfort Village if there is no village, as such, in Melfort.

57. One of Pier's submissions was that as Pier's business is also on land that previously used to be in the historic village in Melfort then it must be entitled to also refer to its business as being in Melfort Village. Whilst I understand the argument, there is still no evidence to suggest that the area which Pier has developed would be regarded as a village as opposed to simply Pier's holiday business operation. I therefore see no reason why Pier would need to use the designation MELFORT VILLAGE for descriptive purposes.

58. I note that Pier have used this designation in its address. I also note that Pier suggest that Club use it in its address. In relation to the former, its use stems from 2006. I find it difficult to comprehend why it took Pier so long to begin using the designation as part of its address. Pier's and Club's businesses were developed in 1990. Club suggests that Pier's use is without proper motive undertaken, effectively, to corroborate the opposition. Mr Ward played this down at the hearing suggesting that there was no improper motive. Whilst I cannot say with certainty that there was improper motive, it does appear strange why, for so long prior to this, the designation was not used. There is no other third party use of Melfort Village in an address save for a letter sent to Pier by Argyll and Bute Council. However, as the Council were responding to a letter from Pier it is unsurprising that they did so as they are merely responding to the address likely to have been used on Pier's letter to them.

59. There is, though, future use to consider given that there is no requirement for current use<sup>2</sup>. Here, a further argument could be that if an actual village did develop in or around Pier's and Club's businesses as opposed to the operation of two separate and distinct holiday based businesses (together with a few scattered houses/businesses in the area) then the natural description of such a place would be Melfort Village. Whilst an important point to consider, on the basis of the evidence before me I cannot say that this is probable. Indeed, I note that there is charter on the land (at least in relation to that owned by Club) preventing further development.

60. There is one further argument I can see. That is that Club's own use may have educated the relevant public into regarding Melfort Village as an actual village. Nevertheless, I am content that the majority of uses by Club will not have sent a clear and unequivocal message that MELFORT VILLAGE is simply a geographical location. Most of the uses refer to the resort or to the complex and they come back, full circle, to the Melfort Village being a holiday resort. The context of use is also indicative of an undertaking rather than as a pure description. Whilst I agree that some of the uses could possibly have sent a descriptive message (such as the plain advertising in exhibits CR10, 11 and 12) this is not enough to have altered the factual meaning of the mark. Furthermore, the degree of such education of the public (if there has been any) is quite limited given the sorts of promotional figures referred to in Ms Roberts' evidence.

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<sup>2</sup> This is clear from *Wm. Wrigley Jr. Company v. Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Case C-191/01 P and also from *Chiemsee*.

61. Mr Silcock also relied on the decision of Mr Landau, a hearing officer for the Registrar, in *Battersea Power Station* (BL O/063/04). Whilst I note this decision, and whilst I note that there is a parallel in terms of the fact that Battersea Power Station was privately owned property as is, Mr Silcock highlights, Melfort Village, the fact that I am dealing not with an individual building but something more than that, the issues decided there are not particularly relevant here, so I do not place any real significance on this earlier decision.

62. All things considered, my finding is that the designation MELFORT VILLAGE is not a place name which, in the mind of the relevant public, currently designates or is capable of designating the geographical origin (or other geographical characteristic) of the goods and services in question. As such, there is no need to consider whether the mark has acquired a distinctive character through its use. The opposition under section 3(1)(c) of the Act, and consequently the opposition as a whole, fails.

### **Costs**

63. Having been successful Club is entitled to a contribution towards its costs<sup>3</sup>. I hereby order Melfort Pier Holidays Limited to pay The Melfort Club the sum of £1800. This sum is calculated as follows:

Preparing a statement and considering the other side's statement	£400
Preparing evidence and considering and commenting on the other side's evidence	£800
Preparing for and attending a hearing	£600

64. The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 25 day of March 2010**

**Oliver Morris  
For the Registrar  
The Comptroller-General**

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<sup>3</sup> Costs are based on the scale set out in TPN 4/2007