

TRADE MARKS ACT 1994

IN THE MATTER OF THE APPLICATION BY THOMPSON HOTELS LLC UNDER NO
2623568

AND IN THE MATTER OF OPPOSITION NO 104008 THERETO BY TUI TRAVEL AMBER
E&W LLP

DECISION

INTRODUCTION

1. This is an appeal from the Decision of the Hearing Officer dated 7 January 2014 whereby he upheld the opposition by the opponent, TUI Travel Amber E&W LLP to the registration of the mark



which was applied for by Thompson Hotels LLC (“the applicant”) in respect of

Hotel services; restaurant and bar services; services for providing food and drink;
rental of temporary accommodation in Class 43.

2. The opposition, which was based on a number of grounds, succeeded under s. 5(2)(b) of the Trade Marks Act 1994 in the light of the opponent’s prior registration of the Community Trade Mark No 3613221 in respect of the word mark **THOMSON** registered in respect of, inter alia, the following services:

Class 43: Arranging and/or providing accommodation for travellers; arranging and/or providing meals for travellers; arranging and/or providing day nurseries; arranging and/or providing hotel reservation services; arranging and/or providing rental of temporary accommodation; arranging and/or providing restaurant, bar and catering services; reservation services for booking meals.

3. The Hearing Officer held that, having regard to the similarity or identity of the respective services and the similarity of the respective marks, there was a likelihood of confusion sufficient to preclude registration of the applicant's mark. The Hearing Officer held, first, that such was the case, having regard to a comparison of the marks, even without regard to the use made of the prior registration and, secondly, that it was additionally objectionable as a result of the enhanced distinctiveness through use of the opponent's mark.
4. Because the opposition was upheld on the basis of s5(2)(b) and on the basis of a mark for which it was not necessary to prove use, the Hearing Officer did not go on to consider any other of the grounds of opposition based on others of the opponent's prior rights.

THE APPEAL

5. The applicant appeals, contending that the Hearing Officer made errors of principle in his approach to evaluation of the likelihood of confusion, in particular with respect to the evaluation of nature, characteristics and elements of the applicant's mark. The applicant also contends that there was no basis for holding that there was any greater likelihood of confusion as a result of the use made of the prior mark and that, if anything, the use made of it reduced any likelihood of confusion. Since the opposition was based on both grounds, the applicant accepted that if one of the grounds was upheld, it would not be necessary to consider the other ground on this appeal.
6. It is therefore convenient to deal with this appeal by considering initially the first basis for the Hearing Officer's decision.

THE DECISION

7. The Decision took the conventional form involving, first, a detailed summary of the evidence submitted on both sides followed by analysis of the respective services and marks and the likelihood of confusion. The Hearing Officer summarised the evidence in

a manner that is not criticised on this appeal. Because of the arguments advanced, it is unnecessary to consider the evidence in detail but a few points merit comment.

8. In broad terms, the opponent's evidence sought to show that the mark THOMSON had a significant reputation, especially in the field of tours and package holidays, including combinations of transport, accommodation and ancillary services. There was no serious dispute on this appeal that such reputation existed although (as set out below) there were differences as to the nature of the services in respect of which there had been use.
9. The applicant's evidence explained that the applicant was a US based hospitality company which, among other things, owns and manages luxury hotels using the THOMPSON HOTELS brand in particular in relation to a chain of up-market luxury boutique hotels in a number of countries. One of the points made by the applicant's evidence is that the relevant consumer is accustomed to seeing particularly luxury hotels branded using the general approach of the applicant's mark, namely with the name of the hotel as the most prominent feature and some indication adjacent to that name of the mark of the undertaking which owns or is responsible for managing the hotel in question. That evidence doubtless accords with the experience of the majority of many travellers.
10. The consequence is that, in this particular field, the average consumer can be expected to look to the indication additional to the name of the hotel for specific information about which undertaking is responsible for providing the relevant services. It is not uncommon in hotel management for ownership of the hotel and management of the hotel to lie in different hands. For the traveller, who may be primarily concerned with the nature of services which he or she can expect to receive, the undertaking managing the hotel may be at least as important (if not much more important) as the owner of the hotel (or even the name or precise location of the hotel). That is perhaps particularly the case with hotels which do not have a long and established track record. Travellers may book very well known destination hotels without close attention to which undertaking is managing it at the moment on the basis that, for some hotels, the quality is likely to be preserved almost whoever is doing so. However, with relatively new or less well known hotels, at least some travellers may wish to be assured that it is run by an undertaking with which the traveller is familiar. That is the point of providing group or chain branding in addition to the name of the hotel. Doubtless, in this case, that has been done to alert travellers to the

fact that the BELGRAVES HOTEL in London is run by the same people as provide the other THOMPSON hotels in (e.g.) the US and Canada (and *vice versa*). That is of some importance when it comes to analysing the arguments concerning how the applicant's mark would be perceived and what the independent distinctive and dominant elements of it are for the purpose of s.5(2)(b).

Law

11. The Hearing Officer set out the general principles for assessing whether the requirements of s5(2)(b) are satisfied in paragraphs [16]-[17] of the Decision as follows.

"16) In reaching my decision I have taken into account the guidance provided by the Court of Justice of the European Union ("CJEU") in a number of judgments: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-GoldwynMayer* [1999] R.P.C. 117 ("*Canon*"), *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77, *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [2000] E.T.M.R. 723, Case C-3/03 *Matrazen Concord GmbH v GmbGv Office for Harmonisation in the Internal Market* [2004] ECR I-3657 *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-334/05). In *La Chemise Lacoste SA v Baker Street Clothing Ltd* (O/330/10) Mr Geoffrey Hobbs QC, sitting as the Appointed Person, quoted with approval the following summary of the principles which are established by these cases:

"(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, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 causes the public to wrongly believe that the respective goods [or services] come from the same or economically linked undertakings, there is a likelihood of confusion."

17) In making my findings on where there exists a likelihood of confusion I have also borne in mind the guidance given by the General Court ("GC") in Case T-569/10 in *Bimbo SA v OHIM* ("*Bimbo*") on the correct application of the CJEU's judgment in *Medion v Thomson* ("*Medion*");

"96 According to the case-law, where goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein (Case C-120/04 *Medion* [2005] ECR I8551, paragraph 37). There may also be a likelihood of confusion in a case in which the earlier mark is not reproduced identically in the later mark (see, to that effect, Joined Cases T-5/08 to T-7/08 *Nestlé v OHIM - Master Beverage Industries (Golden Eagle and Golden Eagle Deluxe)* [2010] ECR II-1177, paragraph 60)".

In *Aveda Corporation v Darbur India Ltd* [2013] EWHC 589 (Ch) ("*Aveda*") Arnold J followed *Bimbo*, deciding that the decision in *Medion* can also apply in cases where the composite sign incorporates a sign which is similar to, rather than identical with, the earlier trade mark. Applying the principles in *Medion* and *Aveda* to the present case, I shall need to ask myself whether the average consumer would perceive THOMPSON to have significance independently of the Applicant's mark as a whole, and whether that would lead to a likelihood of confusion.

12. The Hearing Officer therefore directed his attention to the right question and applied the relevant law. I deal below with the applicant's specific criticisms of the Hearing Officer's application of that law.

13. The Hearing Officer went on to evaluate the respective services and concluded that, so far as relevant, the services were identical (see paragraphs [19]-[27] of the decision). No criticism is made of this evaluation. He then considered the average consumer and the purchasing process and concluded that a reasonable degree of attention would be paid but he rightly took into account the fact that the services in respect of which application was sought were not limited to those of a luxury boutique hotel or hotels (see paragraphs [28]-[29] of the decision).
14. The Hearing Officer noted that he was faced, as I am, with the task of comparing not the actual use of the respective marks for the purpose of the evaluation under s5(2)(b) but notional fair use of the respective marks across the scope of the services for which application had been made and for which the earlier mark is registered. He reflected this in the decision at [38]. It should be noted that it would constitute normal and fair use of the mark applied for to use it, for example, in relation to a chain of sea-side family package holiday hotels in the UK, even though, on the evidence before the Hearing Officer as to the actual nature of the services to be provided under the mark by the applicant, such is very unlikely ever to happen.

Distinctiveness

15. The Hearing Officer considered that the earlier mark THOMSON was (ignoring use) neither descriptive nor allusive and was a fairly common surname in the UK (see paragraphs [30]-[31] of the decision). He held, and I agree, that the mark possessed a normal degree of distinctiveness.

Comparison of marks

16. The applicant's criticisms of the decision lie mainly in the Hearing Officer's evaluation of the comparison of the marks. He noted, first, that the average consumer ordinarily perceives a mark as a whole and does not proceed to analyse its various details. At [33]-[36] of the decision, the Hearing Officer then said:

33) The Opponent's mark consists exclusively of the word THOMSON which, by virtue of being the sole component of the mark, is its dominant and distinctive element. I consider that the Applicant's mark consists of two equally dominant and distinctive elements presented in black and white against a lightly textured

background. The first element consists of a white-on-black square device containing the letter B in a stylised rectangular form, surrounded by an inner border with a rectilinear pattern. The second element consists of the words BELGRAVES in large stylised lettering reflecting the rectilinear motif and monogram of the device, and beneath this, in the same stylised lettering, but substantially smaller, the words A THOMPSON HOTEL. The prominent BELGRAVES will be seen as the name of the hotel, but the strap-line A THOMPSON HOTEL will be read together with the name.

34) Visually, the Opponent's mark consists of the single word THOMSON, whereas the Applicant's mark is a composite mark as described above. There is no visual similarity between the word THOMSON and the visually prominent word BELGRAVES or the device in the Applicant's mark. Although the words A THOMPSON HOTEL are visually considerably less prominent, they still play a significant role in the overall visual balance of the mark. There is a difference of only one middle letter between the words THOMSON and THOMPSON, their beginnings and endings being identical. Viewed as a whole, there is a modest degree of visual similarity between the marks.

35) The device will play no role in the oral use of the Applicant's mark. It is difficult to imagine the words "a Thompson hotel" being used in circumstances such as a booking made over the telephone; the operative word would be BELGRAVES. There is no aural similarity between THOMSON and BELGRAVES. However, the words "A THOMPSON HOTEL" might, for example, be used in television or radio advertising. The P in THOMPSON will invariably be swallowed in pronunciation. Even if an effort is made to pronounce the P, it will be lost in this particular consonant combination. The pronunciation of THOMSON and THOMPSON will in practice be identical. Overall, there is, at most, a modest degree of aural similarity between the marks.

36) The average consumer will no doubt associate the monogram B in the device element in the Applicant's mark with the word BELGRAVES. This word might perhaps be intended to evoke associations with London's exclusive Belgravia district, but I think the average consumer will see it simply as a name, having no connection with the name THOMSON in the Opponent's mark.

17. This section formed the main basis for the applicant's criticisms of the Hearing Officer's approach.

THE APPLICANT'S CENTRAL ARGUMENTS ON APPEAL

18. The applicant contends that the Hearing Officer's approach especially in these paragraphs was erroneous in principle. A number of points were made which may be summarised as follows.

19. First, that it is wrong to apply any presumptions with respect to any part of a mark having an independent distinctive role. The applicant contends that such a determination must be based only on an examination of all of the relevant factors of each case, referring to Case C-51/09 *Becker v. Harman International Industries* at [38]. Second, the applicant submits that, even where an element of a mark does play an independent distinctive role, that of itself does not lead to the conclusion that there is a likelihood of confusion: it is merely one factor to be taken into account in the assessment (see *Medion* at [29]-[31] and Case C-23/09 *ecoblue AG v. OHIM* at [45] *Bimbo* at [29]). Third, the applicant contends that the Hearing Officer's evaluation was inconsistent and did not provide a basis for a conclusion that the word THOMPSON has an independent distinctive role. The applicant draws attention to the fact that the Hearing Officer held that the strap line would be read together with the word BELGRAVES and that, although the mark contains the term "THOMPSON", this would be seen in the context of the mark as a whole which included the slightly stylised word BELGRAVES and the logo. Fourth, it is argued that, the Hearing Officer failed to examine all of the relevant factors as required by the *Becker* and *Medion* cases, in forming his view and, in so doing, did not have proper regard to the numerous and important differences between the marks. Fifth, the applicant criticises the Hearing Officer for not giving adequate reasons for concluding that the word THOMPSON plays an independent distinctive role, particularly in the light of the findings as to how it would be perceived.

Discussion

20. Although put in a range of ways with reference to a number of parts of the decision, the applicant's argument comes down to saying that the Hearing Officer was wrong to find, in all the circumstances, that the term "THOMPSON" had independent distinctive character in the applicant's mark, particularly having regard to the other features of the mark which were even more important. The various arguments in favour of that position were attractively presented and developed by Counsel for the applicant in helpful written and oral submissions but I am unable to accept them for the following reasons.
21. First, and most fundamentally, this is a mark in which that element which the Hearing Officer held to have an independent distinctive character specifically and directly

proclaims its nature as having independent origin-denoting significance by the strap line in which it is used. Especially in the light of the evidence as to how consumers view hotel brands of this kind, I think there can be no serious doubt that the average consumer would think, upon seeing the mark as a whole, that the relevant services were to be provided by or under the direction of an undertaking with the brand name THOMPSON or THOMPSON HOTELS and that the BELGRAVES HOTEL was the place where those services were to be provided albeit not only a hotel name but a brand in its own right.

22. Second, the main reason why that is so in this case is because of the particular manner in which the term THOMPSON is used and presented in the mark applied for. This is not a case like many of the reported instances where there is a composite mark of which the individual elements are closely bound up together. So far as THOMPSON is concerned, this element of brand identity is presented as separate from BELGRAVES or BELGRAVES HOTEL.
23. Third, even if there was a serious doubt as to whether the Hearing Officer was right on this point, the evaluation of which elements of a composite mark would be regarded as having independent distinctive significance is an issue with which, absent error of approach, an appellate tribunal should be slow to interfere. On an appeal of this kind, the principles articulated by the Court of Appeal in *REEF Trade Mark and Okotoks v. Fine & Country* [2013] EWCA Civ 672 concerning the reluctance on the part of an appellate tribunal to interfere with evaluations of this nature on the part of a Hearing Officer are applicable.
24. Fourth, I am satisfied that the Hearing Officer did not make any such error in his evaluation. He considered, with some care, the different aspects of the mark at paragraph [33] of the decision, considered the extent to which there was visual and aural similarity at paragraphs [34]-[35] of the decision. He considered, at paragraph [38] of the decision, the applicant's evidence that the public would understand the reference to A THOMPSON HOTEL as a reference to the larger group under common ownership or management to which the BELGRAVES HOTEL belonged.
25. In those circumstances, the Hearing Officer was, in my judgment, right to hold in [40] of the decision that the word THOMPSON played an independent distinctive role in the applicant's mark. Indeed, having regard to the nature of the mark, the nature of the

services and the evidence about such marks in the particular area of trade, the word THOMPSON was, if anything, the part of the mark most likely to indicate to the average consumer the undertaking ultimately responsible for the nature and quality of the services to be provided under it.

26. The Hearing Officer then went on to compare this element THOMPSON with the earlier mark THOMSON and concluded that they were sufficiently similar to cause confusion. That was a conclusion which was clearly open to him in the light of his other conclusions and accords with reality, particularly having regard to the requirement under the Act of comparing the marks on the basis of notional use across the scope of the registration. He held that there was no likelihood that consumers would directly confuse the marks themselves but considered that the average consumer was likely to believe that the services marketed under the marks came from the same undertaking or from economically linked undertakings.
27. It is sometimes necessary to take care in the use of concepts such as “direct” and “indirect” confusion. The Act makes no such distinction and it is merely a convenient way of thinking about the ways in which confusion may occur: although there may be significant difference between the marks, confusion may nevertheless occur because of the particular characteristics of part of the marks. Ultimately the key question is whether, having regard to all of the circumstances and the nature of the purchasing process, the similarity of the marks is such that there is a real risk that the average consumer would think that the respective services came from the same source. Sometimes that is the case because the marks are themselves confusingly similar, taken as a whole. Sometimes that is because a part of the mark sends such a strong signal itself as to trade origin that there is a real risk of confusing an average consumer, having regard to the earlier mark. In *LA Sugar Limited v. By Back Beat Inc.* O/375/10 the Appointed Person (Mr Iain Purvis QC) said that the reasoning in some cases may run along the following lines:

“The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark”

28. That is a helpful analysis of the source of the confusion as to origin in such a case. The Hearing Officer in this case held, in effect, that this would be the reaction of the average consumer in this case.
29. In *LA Sugar*, Mr Purvis went on to consider three specific situations in which such might arise and to give rise to indirect confusion but did not suggest that these were the only examples. He did not mention a case where a later mark specifically said in effect “The undertaking responsible for these services is X” (where X is a term similar to the earlier mark). The reason he did not do so may have been because, in such a situation, the risk of confusion was evident. Where a mark itself indicates that a part of it is that which the average consumer is supposed to treat as of particular origin-denoting significance, that is, if anything, a clearer case for considering that there is likely to be a risk of confusion than the examples given by Mr Purvis in that case.

Conclusion on the main s5(2)(b) case

30. For all these reasons, I am not satisfied that the Hearing Officer made any error of approach in his evaluation of the question of likelihood of confusion under s.5(2)(b). To the contrary, in my judgment he was right. That is sufficient to dispose of this appeal.

The case based on enhanced distinctiveness

31. In the light of my conclusions above it is not necessary to consider the other aspect of the s.5(2)(b) case upon which the Hearing Officer additionally upheld the opposition. I therefore make only brief observations on it since it was fully argued.
32. In cases where enhanced distinctiveness is relied on, it is sometimes important to analyse carefully both the extent of the reputation of an earlier mark and the precise nature of that reputation and, in particular, to consider specifically with respect to which particular goods or services the earlier mark has been used. The question is not simply: “does the earlier mark have an enhanced reputation?” but the more specific one “for what, exactly, does the earlier mark have an enhanced reputation?” or “how, exactly, has its reputation been enhanced?”
33. The applicant criticises the Hearing Officer for not adequately doing this and submits that the earlier THOMSON mark had not been used in relation to the services for which the

mark was in fact registered (such as the actual provision of accommodation) but only in relation to the services of booking such services (arranging for accommodation). This is not an issue on which it is necessary to express a concluded view, having regard to the analysis above.

34. It suffices to say that difficult questions sometimes arise in cases where a mark is said to be used in respect of certain goods or services has been used by an undertaking which has been responsible for selecting those goods or services or arranging for them to be provided. In such a case, the nature of the use and the attendant reputation generated thereby may depend heavily on the context. For example, a greengrocer bearing a sign above the shop and selling loose apples which it has selected might be said to have used its sign in relation to apples. Conversely, a grocer bearing a similar sign above its shop but selling many types of individually branded goods may find it impossible to say that its sign has been used in relation to baked beans, simply because the shop has selected and stocks Heinz baked beans.
35. There is some force in the applicant's submissions that the analysis undertaken by the Hearing Officer of the question of the services for which the earlier mark had been used might have benefitted from greater attention to these sorts of considerations in paragraph [49] of the decision. However, that was not the only ground for the Hearing Officer's determination (see paragraph [50] of the decision). He held, at [54] of the decision that, whether or not there had been use in relation to the very services or similar services such as providing hotel reservation services, the phrase A THOMSON HOTEL (which he considered would not be distinguished from A THOMPSON HOTEL)

”...would be seen by the average consumer as indicating a hotel selected by the Opponent to provide services under the THOMSON banner”.

That is a reasonable conclusion on any view and his discussion of the issue of enhanced distinctiveness does not detract from and, to some extent, reinforces the conclusion he reached without reference to the opponent's actual use.

OVERALL CONCLUSION

36. For these reasons, the appeal is dismissed.

COSTS

37. The applicant has been unsuccessful on this appeal. However, the opponent did not attend the hearing and submitted no skeleton argument. Nor was any application made for costs in any other way. That said, it is almost inevitable that some, even if only brief, consideration will have been given to the case and in the circumstances it is appropriate to award a modest sum in respect of the costs of this. The right way to do this is simply to round up the figure of £1750 in respect of the proceedings below to £2000.

38. I therefore order that the total sum of £2000 (in respect of both the hearing below and this appeal) be paid within seven days.

DANIEL ALEXANDER QC

Appointed Person

10 October 2014

Representation

Guy Hollingworth instructed by Taylor Wessing for the applicant/appellant

The opponent/respondent was not represented.