

BL O/499/16

TRADE MARKS ACT 1994

TRADE MARK APPLICATIONS 3070866 & 3070858

BY ELEGANT ADDRESS SOUTH OF FRANCE LTD

AND

CONSOLIDATED OPPOSITIONS 403476 & 403477

BY ELEGANT RESORTS LTD

Background and pleadings

1. This is a consolidated opposition by Elegant Resorts Ltd (“the opponent”) against two applications filed on 2nd September 2014 (“the relevant date”) by Elegant Address South of France Ltd (“the applicant”) to register the trade marks shown below.

ELEGANT ADDRESS SKI

ELEGANT ADDRESS BARBADOS

2. The list of services covered by the applications has been amended on two occasions. The latest list is as follows.

Class 35

Advertising of property available for rental or sale; marketing and promotional services for property; business management of property; business administration of property.

Class 39

Booking and arrangement of transportation and car hire to and from residential property, rental or temporary accommodation; arrangement of transportation for guests staying at pre-booked residential property, rental or temporary accommodation.

Class 43

Services for providing food and drink at residential property, rental or temporary accommodation; arranging and/or providing accommodation for travellers; arranging and/or providing rental of temporary accommodation; arrangement of accommodation; advice and consultation services in relation to all of the aforesaid services.

3. The consolidated opposition is based on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994. The opposition under s.5(2)(b) and s.5(3) relies on the opponent’s earlier UK trade mark 2175837, which is reproduced below.

Elegant Resorts

4. The mark was entered in the register on 21st April 2000. It is registered for:

Class 39

Travel agency services for arranging and providing holiday tours.

Class 43

Travel agency services for arranging and providing holiday accommodation;
rental of holiday accommodation.

5. The opponent claims that the distinctive and dominant element in all the marks is the word ELEGANT, the remaining words being in each case descriptive. Further, the applications cover services which are identical or similar to those covered by the earlier mark. Therefore, there is a likelihood of confusion on the part of the public.

6. Further, the opponent claims that the earlier mark has a reputation for the registered services and that use of the applicant's marks would, without due cause, take unfair advantage of the reputation of the earlier mark and/or be detrimental to its distinctive character. The opponent claims that the public will link the marks and this will engender a belief that the marks are "*connected*". This will lead to consumers purchasing the applicant's services based on their knowledge and perception of the earlier mark. Further, use of the applicant's marks would "*destroy the exclusivity of the opponent's mark such that consumers would no longer be able to guarantee the origin of services provided under the earlier mark*". According to the opponent, this would make it less likely that consumers will purchase services under the earlier mark.

7. Further, or alternatively, the opponent claims that it has acquired goodwill under the sign ELEGANT as a result of the use of that sign throughout the UK since 1988 in relation to "*travel services*". According to the opponent, use of the applicant's marks would amount to a misrepresentation to the public, which would be likely to damage the goodwill in the opponent's business.

8. The applicant filed counterstatements denying the grounds of opposition and putting the opponent to proof of the use and reputation of the earlier mark, and of its claimed goodwill under the sign ELEGANT. The applicant's marks were published for opposition purposes on 26th September 2014. Therefore, in accordance with s.6A of the Act, the period for which the opponent must show use of the earlier mark is 27th September 2009 to 26th September 2014 ("the relevant period").

9. Both sides seek an award of costs.

The hearing

10. A hearing took place on 11th October 2016 at which Ms Denise McFarland appeared as counsel for the applicant, instructed by Silverman Sherliker LLP. Mr Benet Brandreth appeared as counsel for the opponent, instructed by Dechert LLP. Although the ground of opposition under s.5(3) was not dropped, Mr Brandreth choose to focus his submissions on the grounds under s.5(2)(b) and s.5(4)(a).

The evidence

11. The opponent's evidence consists of two witness statements by Ms Michelle Sephton, who has worked for the opponent for 22 years and is currently Managing Director.

12. Ms Sephton's evidence is that the opponent is a UK business specializing in luxury travel agency services, including arranging travel and accommodation, to mostly UK customers. The company started operating in 1988. At that time it focused on holidays in the Caribbean, particularly Barbados. It now offers holidays in many other, mostly exotic, places. The opponent has teams abroad supporting its customers whilst they are on holiday in Antigua, Barbados, Dubai and Mauritius.

13. In addition to the services for which its earlier trade mark is registered, the opponent offers ancillary services, such as car hire, airport transfers, restaurant reservations, and arranging golf and sailing activities.

14. Ms Sephton says that the opponent promotes its services under the earlier mark through use online and in brochures and magazines. The opponent also promotes its mark at trade fairs¹. The opponent publishes a magazine entitled The Elegant Traveller, which contains features on destinations offered by the opponent, reviews, news (which it calls “*Elegant news*”)², interviews and special offers (which it calls “*Elegant offers*”)³. The front and other pages of the magazines also carried the mark shown below⁴.



15. Four editions of The Elegant Traveller magazine were published during the relevant period. Copies were sent to clients, top clients (who are members of the “*Chairman’s Club*”), as well as to independent travel agents. In 2014, there were 15k clients, 1400 members of the Chairman’s Club, and the magazine was sent to 250 travel agents. I note that the 2013 edition of the magazine included several features about the opponent’s villa holidays, including villas located in resorts as well as standalone villas⁵.

16. The opponent also produces more conventional holiday brochures showing the holidays it offers in different destinations. Examples of the brochures are in evidence⁶. These show use of ELEGANT RESORTS in ordinary font, i.e. without the stylisation in the registered mark, but also some use of the mark shown in paragraph 14 above, which appears to have been used on the back cover of some of the brochures. These brochures were also distributed to clients and members of the Chairman’s Club. In “*Autumn 2014*”⁷, copies were sent to around 5-10k clients and 1400 members of the Chairman’s Club. A further 98k e-copies were sent to direct

¹ See WS Sephton 2, exhibit

² See WS Sephton 1, page 6 of exhibit MS8

³ See pages 22 and 77 of exhibit MS8

⁴ This is taken from the cover of the 2013 edition. See page 1 of exhibit MS8

⁵ See exhibit MS8, pages 8 and 72

⁶ See exhibit MS9

⁷ The vague date means that it is not possible to say whether this particular distribution was before or after the relevant date.

customers. These brochures were also available as e-brochures from the opponent's website.

17. The opponent's website at elegantresorts.co.uk was launched in 1999. Historical pages from the website are in evidence covering the relevant period and earlier⁸. These show prominent use of the mark shown in paragraph 14 above on the front page of the website. Between 2009 and 2014, the opponent's website was visited by around 300- 450k visitors per year.

18. Ms Sephton provides turnover figures taken from the opponent's published accounts for the years 2009 to 2014. The opponent's annual turnover during this period ranged from £42m to £56m. According to Ms Sephton, this turnover reflected the opponent's "*travel agency services*". Given that the figures show the opponent's total turnover, this must include the amounts generated by the opponent's core services (as reflected in the services for which the earlier mark is registered) as well as the ancillary services described in Ms Sephton's evidence.

19. The opponent won a number of awards during the relevant period, including the following from the Telegraph Ultra Travel Awards.

Best Luxury Tour Operator 2014
Best Small Luxury Tour Operator 2013
Runner-up, Best Tour Operator 2012
Best Small Tour Operator 2011 and 2010

20. The opponent also took third place in the Favourite Luxury Tour Operator category in The Sunday Times Travel Magazine Readers Awards 2010.

21. I note that in each case the opponent was referred to as Elegant Resorts.

22. The applicant's evidence takes the form of witness statements by Susan Thompson and Nigel Parnell. Ms Thompson is the sole Director of the applicant. Mr

⁸ See pages 20 – 24 of exhibit MS10

Parnell is Director of Trade Marks at Silverman Sherliker LLP, the applicant's legal representatives. His evidence merely introduces the results of various internet searches referenced in Ms Thompson's evidence.

23. Ms Thompson says that the applicant has used the trade mark ELEGANT ADDRESS in the UK since 2006 "*principally for the rental, but also for the selling of properties, in various locations worldwide*". She explains that the applicant specialises in property rentals in the South of France and Barbados and in luxury ski chalet rentals. The applicant started using ELEGANT ADDRESS SKI and ELEGANT ADDRESS BARBADOS in 2013 and 2014, respectively. This is consistent with copies of historical pages from the applicant's websites in evidence⁹, which show use of ELEGANT ADDRESS in relation to the rental of apartments and villas, and the sale of properties, in the South of France (only¹⁰), the use of ELEGANT ADDRESS SKI from 2013 in relation to the rental of ski chalets, and the use of ELEGANT ADDRESS BARBADOS from October 2014 (i.e. after the relevant date) in relation to the rental of villas in Barbados.

24. The applicant's rental of properties services include the rental of holiday properties¹¹.

25. It appears from the historical pages from the applicant's website in evidence¹² that the applicant also provides ancillary services to property rentals, such as car hire services.

26. Ms Thompson states that the applicant is not a travel agent. In this connection, I note that the applicant's elegant-ski.com website dated 8th November 2014 described the applicant's skiing related business as "*property search consultants*" and stated that the applicant could not arrange flights.

⁹ See exhibit NJP3

¹⁰ See exhibit NJP3, page 37, elegant-address.com website 28 August 2013, "*....working only on the French Riviera*".

¹¹ See pages 49-52 of exhibit NJP3, which consist of positive reviews from mostly UK customers who rented holiday accommodation from the applicant in 2011 or before.

¹² See exhibit NJP3, page 47

27. According to Ms Thompson, the applicant’s annual turnover under the ELEGANT ADDRESS mark in the UK in 2012 to 2014 was between around £750k and £1.6m. It appears from the invoices in evidence¹³ that at least some of the individual property rentals in these years accounted for a significant proportion of this turnover. For example, a single villa rental for 2013 appears to have accounted for €113,750. Further, although some of the customers whose locations are identified in the invoices were based in the UK, the majority were not. It is not clear whether revenue obtained from services provided to non-UK customers has been excluded from the UK turnover figures mentioned above. If it has, I wonder why the applicant filed copies of invoices from non-UK customers.

28. Ms Thompson claims that the trade mark ELEGANT ADDRESS was chosen because it alludes to the nature and type of the properties marketed under the mark. The word Elegant was chosen *“to reflect the traditional meaning of luxury and at the same time that the properties my company markets are tasteful in style.”*

29. Ms Thompson says that she is not aware of any confusion with the opponent’s mark as a result of the applicant’s use of ELEGANT ADDRESS since 2006. Her evidence also includes details of various other businesses in the UK who she says use the word ‘Elegant’ for travel agency services and organising tours and holidays. Ms Sephton’s second witness statement provided the opponent’s response to these claims. The applicant’s information and the opponent’s response are set out below.

Applicant’s claim	Opponent’s response
<p>Future Travel Ltd has used ELEGANT HOLIDAYS to sell Nile cruise holidays since at least June 2013. A copy of the company’s website from 2013 is provided in support of this claim.¹⁴</p>	<p>Elegant Holidays is a specific area of the holiday market and targets different consumers.</p>

¹³ See pages 123 to 133 of exhibit NJP3

¹⁴ See exhibit NJP4

<p>Elegant Escapes Ltd has used ELEGANT ESCAPES since January 2011 to sell holidays in the Caribbean, Indian Ocean and Asia. A copy of the company's website from 2011 is provided in support of this claim.¹⁵</p>	<p>Elegant Escapes Ltd has been a dormant company since at least February 2011. Copies of the company's accounts from 2012 to 2016 are provided in support of this claim.¹⁶</p>
<p>Elegant Travels Ltd has used ELEGANT TRAVELS to sell tailor-made holidays to countries in the Middle East, Indian Ocean and Asia from at least as early as 2007. A copy of the company's website from 2007 is provided in support of this claim.¹⁷</p>	<p>Elegant Travels Ltd is a small company with net assets of only £90k as at 31st August 2014. Such small scale use of ELEGANT would not affect consumer's perception of the meaning of this word. This company also targets a different sector of the market compared to the opponent's luxury holiday business. Extracts from the accounts of Elegant Travels Ltd and a copy of the company's website are provided in support of these claims.¹⁸</p>
<p>Elegant Travel and Tours Ltd has used ELEGANT TRAVEL & TOURS since 2008 to sell holidays to Australia, the Caribbean and to other places. A copy of the company's website from 2008 is provided in support of this claim.¹⁹</p>	<p>Elegant Travel and Tours Ltd is an extremely small company. Extracts from the company's "micro entity" accounts are provided in support of this claim.²⁰</p>
<p>Elegant Journeys, an Indian company, has used ELEGANT JOURNEYS in the UK since 2012 to sell tours to India.²¹</p>	<p>None</p>

¹⁵ See exhibit NJP5

¹⁶ See exhibit MS2-6

¹⁷ See exhibit NJP6

¹⁸ See exhibit MS2-7

¹⁹ See exhibit NJP7

²⁰ See exhibit MS2-8

²¹ See exhibit NJP11

<p>Elegant Hotels (Barbados) Management Ltd of Barbados has used the marks ELEGANT HOTELS and ELEGANT HOTELS BARBADOS to sell holidays and hotel accommodation to UK consumers since 2003. Extracts from the company’s website and from the website of Virgin Holidays are provided in support of this claim.²²</p>	<p>None</p>
<p>Elegant Golf Resorts, a trading name of E.F.R. Travel Ltd, has used ELEGANT GOLF RESORTS since 2008 to sell golf and safari holidays. A copy of the company’s website from 2008 is provided in support of this claim.²³</p>	<p>E.F.R. Travel Ltd operates under a number of brands. ELEGANT GOLF RESORTS is used in the niche markets of golf and safari holidays.</p>
<p>Business Travel Club Ltd has used ELEGANT LOCATIONS since 2006 to sell flights and holidays to the Middle East. A copy of the company’s website from 2008 is provided in support of this claim.²⁴</p>	<p>The company’s accounts from 2013 and 2014 indicate that the company is insolvent.</p>
<p>Helga Delgado has used ELEGANT RESORTS since 2003 to sell holidays from its Swiss and German websites.²⁵</p>	<p>The company does not operate in the UK.</p>

²² See exhibit NJP8

²³ See exhibit NJP9

²⁴ See exhibit NJP10

²⁵ See exhibit NJP12

Proof of use of earlier trade mark 2175837

30. Section 6A of the Act is as follows.

“Raising of relative grounds in opposition proceedings in case of non-use

6A. - (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 period of five years ending with the date of publication.

(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 period of five years ending with the date of publication of the application 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 differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, 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) –

(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.”

31. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*,²⁶ Arnold J. summarised the case law on genuine use of trade marks. He said:

“I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kameradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, 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].

²⁶ [2016] EWHC 52

(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]; *Centrotherm* at [71]; *Leno* 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]; *Centrotherm* at [71]; *Leno* at [29].

(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]. 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].

(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]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(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]; *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].”

32. There is ample evidence of use of the mark shown in paragraph 14 above in relation to travel agency services in classes 39 and 43 during the relevant period. The applicant’s only remotely arguable points on this issue are a) whether use of the mark shown in paragraph 14 above can be taken as use of the registered mark shown in paragraph 3 above and, b) whether the mark has been used in relation to *rental of holiday accommodation* as such, as opposed to *travel agency services for the rental of holiday accommodation*. As to the first point, I note that in *S.A. Société LTJ Diffusion v. Sadas Vertbaudet SA*,²⁷ the CJEU held that:

“54... a sign is identical with the trade mark where it reproduces, without any modification or addition, all the elements constituting the trade mark or where, viewed as a whole, it contains differences so insignificant that they may go unnoticed by an average consumer.”

²⁷ Case C-291/00

33. In my view the differences between the registered mark and the used mark are so insignificant that they may go unnoticed by average consumers. Indeed, they are not immediately obvious even when one is looking for them. Further, even if they are noticeable, these are exactly the sort of trivial changes that s.6A(4) is intended to cover so as to permit minor updating of the form in which the registered mark is used. I therefore find that use of the mark shown in paragraph 14 above constitutes use of the registered mark.

34. As to the second point, the opponent has plainly used the mark in relation to *rental of holiday accommodation*. Indeed, the evidence shows that during the relevant period the opponent's mark was used specifically in relation to the rental of holiday villas. It is true that the opponent is a travel agency, but I do not understand why this makes the description of the rental services offered under the mark any less appropriate. After all, despite three goes at describing its own services, the applicant has not seen it necessary to qualify its own services for *providing rental of temporary accommodation* as being services provided through "*property search consultants*".

35. It is true that the opponent's main witness describes the services provided under the earlier mark as "*travel agency services*". However, this is plainly used as a general characterisation of the services provided under the mark, i.e. the kinds of services typically provided by a travel agency. As counsel for the applicant herself pointed out at the hearing, it is necessary to look at the evidence as a whole in order to assess the precise services provided under the mark during the relevant period. Having done so, I find that the services provided under the earlier mark can be fairly described as including *rental of holiday accommodation*. I therefore find that the earlier mark satisfies the use requirements in relation to all the services for which the mark is registered.

Section 5(2)(b)

36. Section 5(2)(b) of the Act is as follows:

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

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

Comparison of services

37. The respective services are as follows.

Applicant's services	Opponent's services
Class 35 Advertising of property available for rental or sale; marketing and promotional services for property; business management of property; business administration of property.	
Class 39 Booking and arrangement of transportation and car hire to and from residential property, rental or temporary accommodation; arrangement of transportation for guests staying at pre-booked residential property, rental or temporary accommodation.	Class 39 Travel agency services for arranging and providing holiday tours.
Class 43 Services for providing food and drink at residential property, rental or temporary	Class 43 Travel agency services for arranging and providing holiday accommodation; rental

accommodation; arranging and/or providing accommodation for travellers; arranging and/or providing rental of temporary accommodation; arrangement of accommodation; advice and consultation services in relation to all of the aforesaid services.	of holiday accommodation.
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38. In the judgment of the CJEU in *Canon*,²⁸ 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”.

39. In *Gérard Meric v OHIM*²⁹ the General Court stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

40. Adopting this approach I find that the applicant’s services for *booking and arrangement of transportation and car hire to and from residential property, rental or temporary accommodation* are identical to the opponent’s services described as *travel agency services for arranging and providing holiday tours*. It is well known that

²⁸ Case C-39/97

²⁹ Case T- 133/05

the latter services normally involve providing transportation to and from holiday accommodation, including flights, airport transfers and car hire, such as in so called fly-drive packages. The same applies to the second description of services in class 39 of the application - *arrangement of transportation for guests staying at pre-booked residential property, rental or temporary accommodation* – which does not appear to be materially different to the first description of services in class 39.

41. Similarly, I find that the applicant's services for *arranging and/or providing accommodation for travellers, arranging and/or providing rental of temporary accommodation* and *arrangement of accommodation* in class 43 are identical to the opponent's *travel agency services for arranging and providing holiday accommodation* as well as to the services of *rental of holiday accommodation*.

42. Further, given that providing advice is part and parcel of the services provided by travel agencies, I find that the applicant's *advice and consultation services in relation to* [arrangement of accommodation etc.] is also identical to the opponent's *travel agency services for arranging and providing holiday accommodation*.

43. I accept that the applicant's *services for providing food and drink at residential property, rental or temporary accommodation* are not identical to any of the services covered by the earlier mark. However, given the applicant's services include the provision of food and drink at holiday accommodation, and given the close connection between these services and the opponent's *travel agency services for arranging and providing holiday accommodation* and *rental of holiday accommodation*, I find that the services are highly similar. In particular, I find that the respective services are partly similar in nature (they are services provided to holidaymakers) and purpose (they provide the means of living whilst on holiday) and are highly complementary (the availability of food and drink is an essential adjunct to the provision of holiday accommodation, and frequently provided by the same undertaking).

44. None of the applicant's services in class 35 are identical to any of the services covered by the earlier mark. In order to understand why this is so it is necessary to

bear in mind that services relating to the rental of holiday accommodation are not proper to class 35. Rather class 35 covers rental of property for other purposes, usually for living in. Therefore, the applicant's services of *advertising of property available for rental or sale* and *marketing and promotional services for property* do not cover services relating to holiday accommodation, which are proper to class 43³⁰. Nevertheless, the applicant's services are partly similar in nature to the opponent's *travel agency services for arranging and providing holiday accommodation* and *rental of holiday accommodation*, in that they both naturally involve the promotion of property rentals. However, the purpose of the promotional services is different in that the applicant's services promote properties to live in, whereas the opponent's services cover the promotion of property for holidays. Therefore the services are not usually in competition. Nor do they appear to be complementary services. The users of the respective services are the property owners and the general public. However, the property owners who wish to sell or rent their accommodation for relatively long term lets are, for the most part, likely to be different to the property owners who wish to let their property as holiday accommodation. The general public are likely to use both parties' services, but for different purposes and usually at different times. I conclude that there is only a low degree of similarity between the services under consideration.

45. The applicant's services of *business management of property* and *business administration of property* in class 35 do not appear to me to be similar in any way to any of the services covered by the earlier mark. In *Commercy AG, v OHIM*,³¹ the General Court pointed out that:

“43. Consequently, for the purposes of applying Article 8(1)(b) of Regulation No 40/94, it is still necessary, even where the two marks are identical, to adduce evidence of similarity between the goods or services covered by them (see, to that effect, order of 9 March 2007 in Case C-196/06 P *Alecansan v*

³⁰ It is permissible to take into account the class number specified by the applicant when assessing the meaning of the descriptions of services included in the application. See *Altecnic Ltd's Trade Mark Application* [2002] RPC 34 (COA):

³¹ Case T-316/07

OHIM, not published in the ECR, paragraph 24; and Case T-150/04 *Mülhens v OHIM – Minoronzoni(TOSCA BLU)* [2007] ECR II-2353, paragraph 27).”

46. Thus where the similarity between the respective services is not self-evident, the opponent must show how, and in which respects, they are similar. The opponent has not done so as regards *business management of property* and *business administration of property*. And as some similarity of services is an essential requirement of an opposition based on s.5(2), this means that the s.5(2)(b) ground is bound to fail insofar as it is directed at the registration of the applicant’s mark in relation to these services.³²

Global assessment

47. The following principles 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.

The principles

(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;

³² See *Waterford Wedgwood plc v OHIM* – Case C-398/07 P, CJEU

(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 might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Distinctive character of the earlier trade mark

48. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*,³³ 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).”

49. The applicant says that ELEGANT is a descriptive word meaning ‘tasteful’. Therefore the earlier mark is of little or no distinctiveness for services providing accommodation at, and transport to and from, elegant resorts.

50. The opponent accepts that ELEGANT is capable of being descriptive of some goods/services, such as clothing, but submits that it is not descriptive of the services for which the earlier mark is registered.

³³ Case C-342/97

51. I disagree. There is nothing to indicate that the meaning of ELEGANT (tasteful) is limited to specific products, such as clothing. A hotel or a holiday resort may be appropriately described as ELEGANT. Therefore, the words in the earlier mark are inherently descriptive of services for arranging and providing holidays or holiday tours at tasteful resorts, which is undoubtedly a characteristic of travel agency services and services for the rental of holiday accommodation. The opponent does not rely on the stylisation of the words ELEGANT RESORTS for the purposes of this opposition. Indeed, its position is that the stylisation makes little difference to the distinctive character of the earlier mark. For both these reasons, the distinctiveness of the stylisation of the words cannot improve the opponent's case.

52. The opponent claims that the earlier mark had acquired a higher level of distinctive character through use by the relevant date in these proceedings. The applicant disputes this, but I accept the opponent's submission on this point. The extent and length of the applicant's use of the registered mark, and of the trade mark use of the words ELEGANT RESORTS in ordinary type (which is liable to have enhanced the distinctive character of the words in the registered mark), and the evidence of recognition and awards from the media, leads me to conclude that the earlier mark had acquired an enhanced distinctive character by the relevant date. Having said that, the relatively niche nature of the opponent's business, and its relatively modest size (compared to High Street names, such as Thomas Cook) indicates that the earlier mark was no more than averagely distinctive. This is consistent with the applicant's evidence of the co-existence of the opponent's mark with a number of third party ELEGANT derivative marks in (mostly) different niche sectors of the holiday market.

Average consumer and the selection process

53. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*.

54. The principal average consumer of the applicant's services in classes 39 and 43 is likely to be the general public. However, the services may also be used by undertakings wishing to provide accommodation, transport and related services to the public. The users of the opponent's services overlap with the users of the applicant's services in these classes.

55. The users of the applicant's services for *advertising of property available for rental or sale; marketing and promotional services for property* in class 35 are similarly likely to be the general public and undertakings wishing to rent or sell property. In this case, the applicant's services are likely to be directed equally at both types of consumers. Again, the users of the opponent's services overlap with the users of the applicant's services to some extent, but to a lesser degree than in the case of the services in classes 39 and 43.

56. Counsel for the applicant submitted that average consumers of the applicant's services are likely to pay an above average degree of attention when selecting the services. I find that the average consumer of the applicant's services, being a member of the general public wishing to buy or rent a property or purchase related services, is liable to pay a normal or average degree of attention during the process of selecting an agent through which to buy or rent. This is not affected by the particularly high cost of some of the applicant's services. In this connection, I note that in *Bang & Olufsen A/S v OHIM*³⁴, the General Court stated that:

“According to the case-law, the price of the product concerned is also immaterial as regards the definition of the relevant public, since price will also not be the subject of the registration (Joined Cases T-324/01 and T-110/02 *Axions and Belce v OHIM* (Brown cigar shape and gold ingot shape) [2003] ECR II-1897, paragraph 36).”

57. The other type of average consumer of the applicant's services, being an undertaking wishing to rent out or sell its property, or provide related services, is liable to pay an above average degree of attention during the selection process for

³⁴ Case T-460/05

an agent through which to sell or rent property out. This is because the choice of a selling or rental agent is liable to be commercially more important to such users than it is to the persons buying or renting the property.

Comparison of marks

58. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components.

The respective trade marks are shown below:

	<p>ELEGANT ADDRESS SKI ELEGANT ADDRESS BARBADOS</p>
<p>Earlier trade mark</p>	<p>Contested trade marks</p>

59. Counsel for the opponent submitted that the dominant and distinctive element of its mark is the word ELEGANT, which he submitted was also the dominant element of the applicant’s marks. According to the opponent’s case, the words ‘resorts’, ‘address’, ‘ski’ and ‘Barbados’ are all descriptive and/or non-distinctive in relation to the services at issue. Further, the stylisation of the earlier mark was unexceptional and therefore not such as to undermine the argument that the principal distinguishing element of the earlier mark is the word ‘Elegant’.

60. Counsel for the applicant submitted that the earlier mark was comprised of two elements: the words ELEGANT RESORTS in combination, and the distinctive stylisation of those words. Particularly given the weak distinctiveness of the word ELEGANT in relation to the services at issue, Ms McFarland submitted that it was

wrong to extract the word ELEGANT out of the mark and characterise that word as the dominant and distinctive element of the earlier mark. Similarly, the impact of the applicant's marks depended on the combination of the words in the marks, not just on the word ELEGANT.

61. I find that the applicant is correct that average consumers would notice the stylisation of the words ELEGANT RESORTS in the earlier mark. Therefore, the stylisation is not a negligible element of the earlier mark which can be disregarded in the comparison of the marks. On the other hand the stylisation is not so distinctive or striking that it is a dominant feature of the earlier mark. In my view, the stylisation contributes to the distinctive character of the earlier mark, but the dominant and [most] distinctive element of the mark is the words ELEGANT RESORTS.

62. It follows that I do not accept the opponent's submission that the word ELEGANT alone is the dominant and distinctive element of the earlier mark. I accept that RESORTS is even less distinctive than ELEGANT in relation to the services covered by the earlier mark. However, the word ELEGANT qualifies the word RESORTS. It is therefore artificial to treat RESORTS as merely a descriptive addition to the (slightly) more distinctive word ELEGANT. Indeed, the opponent uses the same combination of words in relation to accommodation rental services in stand-alone villas and on yachts, for which the word RESORTS is not merely descriptive. This analysis is borne out by the third party references to the opponent in evidence, none of which refer to it as just ELEGANT.

63. I find that the dominant and distinctive element of the applicant's marks is ELEGANT ADDRESS. In this case the additions SKI and BARBADOS can fairly be regarded as merely descriptive additions to the ELEGANT ADDRESS trade mark.

64. The visual similarity between the marks is limited to the fact that all the marks start with the word ELEGANT. The endings of the marks look quite different, even if little weight is given to the descriptions SKI and BARBADOS. In general, the beginnings of marks tend to make a little more visual impact than the ends because it is the thing that strikes the eye first. On the other hand, the stylisation of the words

in the earlier mark is absent from the applicant's marks. It is true that the applicant's marks are applied for in standard characters and could therefore be used in a range of normal scripts and fonts. However, assuming use of the applicant's marks in the same stylised form as the earlier mark would, in my view, be going beyond consideration of normal and fair use of the applicant's marks. Therefore the stylisation of the earlier mark is a visual distinguishing factor, albeit not a very strong one. Overall, I find that the marks are visually similar to a low to medium degree.

65. The stylisation of the words in the earlier mark will not be present when the mark is spoken. Therefore, I find that the parties' marks are aurally similar to a medium degree.

66. Conceptually, the word ELEGANT conveys the idea of tastefulness and the words RESORTS and ADDRESS (in this context) convey the idea of properties, albeit probably different kinds of properties. I therefore find that there is a high degree of conceptual similarity between the marks.

Likelihood of confusion

67. The applicant has not pleaded a specific defence based on honest concurrent use of the applied-for marks, or the mark ELEGANT ADDRESS alone. I am not suggesting that it should or could have done. This does not appear to be the sort of exceptional case described in *Budejovicky Budvar NP v Anheuser-Busch Inc.*³⁵ The applicant's evidence about the co-existence of the earlier mark and the applicant's marks, and with the marks of third parties, therefore appears to be intended to support its case that there has been no confusion in the past, and therefore that there is no likelihood of confusion in the future.

68. As to the use of ELEGANT derivative marks by third parties, most of the uses appear to have been directed at different sectors of the holiday market compared to the sectors targeted by the opponent. Further, some of the parties who have used such marks appear to have traded on only a small scale, or there is no evidence as

³⁵ Case C-482/09

to the extent of their trading in the UK. Further still, although the opponent has not identified any confusion that resulted from the uses it has accepted as having taken place, none of the third parties identified in the evidence have offered any evidence as to whether they are aware of any instances of confusion. Therefore, I attach only limited weight to the evidence of third parties using ELEGANT derivative marks in the UK holiday market without positive evidence of confusion.

69. As to the applicant's own use of ELEGANT ADDRESS since 2006, I note that in *Roger Maier and Another v ASOS*, Kitchen L.J. stated that:

“80.the likelihood of confusion must be assessed globally taking into account all relevant factors and having regard to the matters set out in *Specsavers* at paragraph [52] and repeated above. If the mark and the sign have both been used and there has been actual confusion between them, this may be powerful evidence that their similarity is such that there exists a likelihood of confusion. But conversely, the absence of actual confusion despite side by side use may be powerful evidence that they are not sufficiently similar to give rise to a likelihood of confusion. This may not always be so, however. The reason for the absence of confusion may be that the mark has only been used to a limited extent or in relation to only some of the goods or services for which it is registered, or in such a way that there has been no possibility of the one being taken for the other. So there may, in truth, have been limited opportunity for real confusion to occur.”

70. I find it significant that up until 2013 the parties do not appear to have been direct competitors. The applicant appears to have targeted the market for property rentals and sales in the South of France, whereas the opponent does not appear to have traded in this particular market. That may have changed a little in 2013 when the applicant started to target the property market for ski rentals. It seems to have changed more significantly towards the end of 2014 when the applicant started to target the property market in Barbados, which is one of the opponent's key destinations. Further, although the applicant has provided evidence of significant turnover under the ELEGANT ADDRESS mark, it is not clear how much of this

relates to property sales, which is not a market covered by the services of the earlier mark. Further still, it is not clear how many rental customers the applicant has in total, or in the UK. As I noted earlier, some of the applicant's single property rentals appear to account for a significant proportion of its turnover, and many of the customer locations shown on the invoices in evidence are outside the UK. Any or all of these factors may explain why no evidence of confusion has so far come to light.

71. Some of the applicant's submissions as to why there is no likelihood of confusion rely on the ways and means in which the applicant and the opponent conduct their businesses. However, in *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*,³⁶ the CJEU stated (at paragraph 66 of its judgment) that when assessing the likelihood of confusion under [the equivalent of] Section 5(2) it is necessary to consider all the circumstances in which the mark applied for might be used if it were to be registered. Therefore, the ways and means in which the applicant and/or the opponent currently conducts their businesses, in including the particular parts of the market that they have so far targeted, are not factors which may be taken into account in my assessment of the likelihood of future confusion.³⁷ For the same reason, it does not matter that the applicant does not classify itself as a travel agent.³⁸

72. I therefore conclude that no weight can be attached to the applicant's concurrent use of ELEGANT ADDRESS in my assessment of the likelihood of confusion as a result of the proposed use of ELEGANT ADDRESS SKI and ELEGANT ADDRESS BARBADOS.

73. Counsel for the applicant also invited me to attach some weight to the applicant's existing registration of ELEGANT ADDRESS under 2566088 for various services in classes 35 and 36. However, the existence of that registration is no bar to this consolidated opposition to the applicant's current applications. Indeed, as the

³⁶ Case C-533/06

³⁷ See also *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220 at paragraph 78 of the judgment

³⁸ Although "travel agency" services were included in the first two versions of the applicant's specification in class 39.

opposed applications cover services in the same classes as the opponent's earlier mark, it would be extraordinary if it was.

74. The applicant's other main argument appears to be that the common element between the marks – ELEGANT – is so non-distinctive that confusion can be ruled out on the basis of supposed differences between the services and/or the differences between the marks. However, I found the parties' services in class 39 and most of the services in class 43 to be identical for the purposes of this comparison, and that those services which are not identical are highly similar. Further, I note that CJEU rejected a similar argument in *L'Oréal SA v OHIM*³⁹, saying that:

“45. The applicant's approach would have the effect of disregarding the notion of the similarity of the marks in favour of one based on the distinctive character of the earlier mark, which would then be given undue importance. The result would be that where the earlier mark is only of weak distinctive character a likelihood of confusion would exist only where there was a complete reproduction of that mark by the mark applied for, whatever the degree of similarity between the marks in question. If that were the case, it would be possible to register a complex mark, one of the elements of which was identical with or similar to those of an earlier mark with a weak distinctive character, even where the other elements of that complex mark were still less distinctive than the common element and notwithstanding a likelihood that consumers would believe that the slight difference between the signs reflected a variation in the nature of the products or stemmed from marketing considerations and not that that difference denoted goods from different traders.”

75. I find that the degree of similarity between the applicant's marks (as a whole) and the opponent's mark (as a whole) is sufficient to create a likelihood of confusion. In reaching this view I have taken into account that the opponent's mark had in fact acquired a normal level of distinctiveness by the relevant date as a result of the use made of it by the opponent over many years.

³⁹ Case C-235/05 P

76. In my judgment, there is a likelihood of confusion through imperfect recollection of the marks. Additionally, there is a likelihood of indirect confusion in the sense that consumers who are aware of the differences between the marks may nevertheless believe that the applicant's mark is a variant mark used by the same undertaking that uses the earlier mark. For example, if the applicant uses ELEGANT ADDRESS BARBADOS in the UK in relation to holiday property rentals, transportation and related services in Barbados, consumers who are aware of the opponent's mark are likely to believe that the mark is a variation of the opponent's earlier mark.

77. For the avoidance of doubt, I would have reached the same conclusion if I had found that all sections of the relevant public would pay an above average degree of attention when selecting the services covered by the application, as the applicant contended.

78. In the case of the applicant's services in class 35, which are either dissimilar or similar to only a low degree to the services covered by the earlier mark, I find that there is no likelihood of confusion. In these circumstances the differences between the marks and the services are sufficient to exclude the likelihood of confusion through imperfect recollection of one or other of the marks. Further, the concurrent use of ELEGANT derivative marks is, in these circumstances, likely to be regarded as merely coincidental use of highly allusive marks by unconnected undertakings. In reaching this conclusion I have borne in mind that the words ELEGANT RESORTS is an inherently weak distinguishing sign for the services covered by the earlier mark and the enhanced level of distinctiveness through use has not been shown to extend beyond the holiday market.

79. The ground of opposition under s.5(2)(b) therefore succeeds in classes 39 and 43, but subject to the point mentioned in paragraph 94 below, fails in class 35.

Section 5(4)(a)

80. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b) [.....]

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

81. The necessary requirements to establish a passing off right are well established and are, essentially, (1) goodwill in a business identified by a sign, (2) a misrepresentation by the defendant through the use of a sign similar enough to the claimant’s sign to deceive (intentionally or otherwise) a substantial number of the claimant’s customers or potential customers, and (3) damage to the claimant’s goodwill caused by the defendant’s misrepresentation.

82. The opponent’s case is pleaded on the basis that it has acquired goodwill under the word ELEGANT alone. I find that it has acquired goodwill under ELEGANT RESORTS, not just ELEGANT. The very limited use of ‘Elegant Traveller’ in relation a promotional magazine and ‘Elegant offers’ in relation to travel offers in that publication are not sufficient to establish that ELEGANT by itself is distinctive of the opponent. Consequently, the opposition under s.5(4)(a) fails.

83. In any event, although the test for misrepresentation under s.5(4)(a) is slightly different to the test for likelihood of confusion under s.5(2)(b), in that the question becomes whether a significant number of persons would be deceived by the applicant’s use of its marks, rather than whether the average consumer is likely to be

confused, I cannot see how the difference could change the outcome of this consolidated opposition further in the opponent's favour.

Section 5(3)

84. Section 5(3) states:

“(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.”

85. Given that the opponent focused on the other grounds of opposition, and given that those grounds succeeded in classes 39 and 43, I will only consider the s.5(3) ground in relation to the applications to register the applicant's mark in relation to the services in class 35.

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

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

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

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

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

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

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

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

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

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

Reputation

87. I accept that the earlier mark had acquired a qualifying reputation by the relevant date in relation to the services for which the mark is registered in classes 39 and 43. The reputation of ELEGANT RESORTS in the UK was significant, but not huge.

Link

88. I earlier found that *business management of property; business administration of property* are not similar to the services covered by the earlier mark. This is not fatal to an opposition under s.5(3), but it is relevant to the likelihood of the relevant public making a link between the marks.

89. I earlier found that *advertising of property available for rental or sale; marketing and promotional services for property* are similar to the services covered by the earlier mark, but only to a low degree.

89. I remind myself that the earlier mark was distinctive to a normal or average degree at the relevant date and the applicant's marks are visually similar to the earlier mark to a low to medium degree, aurally similar to a medium degree, and conceptually similar to a high degree.

90. The relevant public for the parties' services overlap to some extent.

91. Despite this, I find that the public will not make any link between the earlier mark and the applicant's marks if the latter are used in relation to *business management of property; business administration of property*. Consequently, the s.5(3) opposition fails in respect of these services.

92. I find that the general public will make a weak link between the parties' marks if the applicant's marks are used in relation to *advertising of property available for rental or sale; marketing and promotional services for property*.

Unfair advantage/Detriment to reputation/distinctive character

93. However, the strength of the link will not be sufficient to engender the belief that the parties' marks are "*connected*" or for use of the applicant's marks to "*destroy the exclusivity of the opponent's mark such that consumers would no longer be able to guarantee the origin of services provided under the earlier mark*". Consequently, and subject to the point in paragraph 94 below, I find that the opposition under s.5(3) fails in respect of the applicant's services in class 35.

Outcome

94. Given the applicant's reliance on its existing registration of ELEGANT RESORTS for services in class 35 as justification for allowing the registration of the current marks for services in classes 39 and 43, I do not consider that the class number alone is a sufficiently clear or precise means of distinguishing some of the applicant's services in class 35 from the services covered by the earlier mark. Consequently, and subject to appeal, the applications will proceed in class 35 only for:

Advertising of property available for rental or sale; marketing and promotional services for property; but not including services relating to the rental of holiday accommodation; business management of property; business administration of property.

Costs

95. The opposition has succeeded to a greater extent than it failed. The opponent is therefore entitled to a contribution towards its costs. Taking account of the partial success of the opposition, I order the applicant to pay the opponent the sum of £1750. This is made up of:

£400 for the official filing fee for the Forms TM7;
£250 for filing the notices of opposition and considering the counterstatement;
£700 for filing evidence and considering the applicant's evidence;
£400 for attending the hearing and filing a skeleton argument.

96. Subject to appeal, Elegant Address South of France Ltd must pay Elegant Resorts Ltd £1750. This must be paid within 14 days of the end of the period allowed for appeal, or if there is an appeal, within 14 days of the conclusion of those proceedings.

Dated this 27th day of October 2016

**Allan James
For the Registrar**