

**O/270/18**

**TRADE MARKS ACT 1994**

**CONSOLIDATED PROCEEDINGS**

**IN THE MATTER OF:**

**TRADE MARK APPLICATIONS 3120113 & 3120110**

**IN THE NAME OF**

**JAC TRAVEL LIMITED**

**FOR THE TRADE MARKS:**

**JacHotels**

**&**

**JacTravel**

**AND**

**OPPOSITIONS THERETO (UNDER Nos 405510 & 405513)**

**BY MARIOTT WORLDWIDE CORPORATION & ACHM GLOBAL HOSPITALITY**

**LICENSING, S.A.R.L.**

## **Background and pleadings**

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

Application 3120113      **JacHotels**

Application 3120110      **JacTravel**

The following details are common to both applications:

Filing date:            29 July 2015

Publication date:    21 August 2015

Applicant:             JAC Travel Limited

Services:              **Class 39** – Transport; packaging and storage of goods; travel arrangement; distribution of electricity; travel information; provision of car parking facilities.

**Class 43** – Services for providing food and drink; temporary accommodation; restaurant, bar and catering services; provision of holiday accommodation; booking and reservation services for restaurants and holiday accommodation; retirement home services; crèche services.

2. Registration of the marks is opposed, jointly<sup>1</sup>, by Marriott Worldwide Corporation & ACHM Global Hospitality Licensing, S.A.R.L. (“the opponents”). Their grounds of opposition are under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponents rely on the following two marks:

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<sup>1</sup> The latter is a wholly owned subsidiary of the former

i) EUTM<sup>2</sup> 2549087 for the mark **AC HOTELS** which was filed on 25 January 2002 and registered on 25 July 2003. The mark is registered in respect of:

**Class 39:** Passenger transport; rental of vehicles; arranging of tours, travel; information about travel, relating to fares, timetables, tourist guides and methods of transport; travel agency services; booking of seats (travel).

**Class 41:** Entertainment, amusement, recreation or education facilities; organization of exhibitions for cultural or educational purposes; services relating to dance halls, bingo, amusement or aquatic parks, billiard halls, casinos, cinemas, discotheques and concert halls.

**Class 43:** Services in relation to locating accommodation in hotels, hostels, boarding houses, holiday camps, holiday homes, rest homes; providing food and drink prepared for consumption; such services may be provided by restaurants, canteens, self-service restaurants and similar facilities which satisfy individual or collective needs; accommodation rental agencies, accommodation reservations; hotels.

ii) EUTM 13894944 for the mark **AC HOTEL** which was filed on 30 March 2015 and registered on 3 August 2015. The mark is registered in respect of:

**Class 36:** Insurance services; financial affairs; monetary affairs; real estate services, namely services relating to the purchase, sale, leasing, financing, management, operation, rental, promotion and brokerage of apartments, flats, condominiums, time-share properties, villas, vacation homes and real estate of all kinds, and facilities and amenities relating thereto; real estate brokerage services.

**Class 39:** Passenger transport; rental of vehicles; arranging of tours, travel; information about travel, relating to fares, timetables, tourist

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<sup>2</sup> European Union Trade Mark

guides and methods of transport; travel agency services; booking of seats (travel).

**Class 44:** Spa/massage services; beauty salon services.

3. Both marks were filed before the applicant's marks and, so, they both constitute earlier marks in accordance with section 6 of the Act. The first mark was registered more than five years prior to the publication of the applicant's mark, so meaning that it is subject to the use conditions set out in section 6A of the Act. To this extent, the opponents made a statement of use that the mark has been used in relation to all of the services for which it is registered. The second mark was registered within the five year period prior to the publication of the applicant's marks, so meaning that it is not subject to the use conditions. Accordingly, the opponents are able to rely on this mark for the services as registered, without having to show use. The opponents claim that the marks are closely similar, that the services are identical or similar, and that there exists a likelihood of confusion.

4. The applicant filed counterstatements denying the grounds of opposition. It put the opponents to proof of use with regard to the earlier mark which is subject to the use conditions. I note that the applicant states that it has pre-existing rights in relation to its marks (or at least the JAC element of the marks). However, as this is not a defence<sup>3</sup> to an opposition based on section 5(2)(b) of the Act, I will say no more about this. In any event, the applicant filed no evidence in support of this point.

5. Only the opponents filed evidence. A hearing took place before me on 19 April 2018 at which Mr Jeremy Pennant, of D Young & Co, represented the opponents. The applicant did not attend. At the beginning of the hearing (and foreshadowed in his skeleton argument) Mr Pennant informed me that the opponents withdrew their opposition against the application for the mark **JacTravel**. Given this, my substantive decision does not deal with this application.

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<sup>3</sup> See the decision of the Appointed Person, Ms Anna Carboni, in *Ion Associates Ltd v Philip Stainton and Another*, BL O-211-09, and, also Tribunal Practice Notice 4/2009.

## **The evidence**

6. This comes from Mr Bao Giang Val Bauduin, Vice President of Marriott Worldwide Corporation. Some of his evidence is subject to a confidentiality order, but as I have felt it unnecessary to specifically refer to the confidential information, nothing in this decision has been redacted. Put simply, AC HOTELS is a chain of hotels that exist in a number of jurisdictions. There are 132 worldwide, 81 in the EU (61 of which are in Spain), with 2 of those being in the UK. It is not clear when the UK hotels opened. The number of guest bookings and revenue generated by the chain as a whole is substantial. To illustrate the amount of bookings from UK customers (“guests with a home address in the UK”), this has grown from just over 30k in 2011 to 130k in 2015 (the application was filed midway through 2015). The bookings are said to be for the chain as whole, so not just UK hotels, if they were open. The evidence also contains information about web access to the opponents’ website from people in various countries including the UK, which I have taken into account. Exhibit 1 contains a print showing the EU hotels taken from the opponents’ website. The names follow the same pattern: AC Hotel + something which appears to be a geographical name. The two UK hotels are named: AC Hotel Birmingham and AC Hotel Manchester Salford Quays.

7. Exhibit 2 contains representative invoices from hotels in Spain and Italy showing the provision of services, which include accommodation, food and drink, meeting and event facilities, and ancillary services such as transport services, Wi-Fi, laundry and parking. Exhibit 3 contains further prints from the opponents’ website featuring information about the hotels and the services they offer – these services are those typically associated with a hotel service provider. Exhibit 4 contains various items of signage or other forms of use of the mark AC HOTEL/S in the hotels themselves, albeit not broken down to particular hotels.

8. Examples of advertising of particular AC Hotels is provided in Exhibit 5. None relate to the UK (they appear to relate to Spanish hotels) nor is it set out where such advertisements were placed. Press articles and press releases between 2011 and 2015 are provided in Exhibit 6; none relate to UK hotels. Exhibit 7 contains the 2016 annual report for Marriott International Inc, which mentions AC Hotels as one of its

brands. Exhibit 8 contains a list of trade marks relating to the AC Hotels brand that the opponents hold.

### **Section 5(2)(b)**

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

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

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

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

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

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

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

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

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

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

11. Of the two earlier marks, one is subject to the use conditions, the other is not. For procedural economy, I will make initial findings based on an assumption that the first earlier mark has met the use conditions. There can be little doubt, in my view, that it has done so at least in relation to hotel services. The second mark can be relied upon without having to meet the use conditions. If my decision ultimately turns on the earlier mark which is subject to the use conditions, I will return to the proof of use assessment later.

### **Comparison of services**

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

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

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

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

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

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

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

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

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

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

“It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757, paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000, paragraph 48).”

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

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

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

16. Before coming to the comparison, I have noted that in its counterstatement the applicant referred to the type of services it actually offers compared to those of the opponents. It stresses, for example, that it is not a hotel chain. However, I can only consider the terms set out in the respective specifications and make an assessment on this basis. At the hearing, Mr Pennant questioned whether the applicant’s apparent concession that it is not a hotel chain was indicative that it had made a false statement under section 32(2) of the Act (the requirement that the mark be applied for goods and services which are being used or for which there is a *bona fide* intention to use). However, this is not a matter that forms part of the pleaded case, so I say no more about it.

17. I consider first the following applied for services:

Class 39 – Transport; packaging and storage of goods; travel arrangement; distribution of electricity; travel information; provision of car parking facilities.

18. The second earlier mark (not subject to the use conditions) covers the following services in class 39:

Passenger transport; rental of vehicles; arranging of tours, travel; information about travel, relating to fares, timetables, tourist guides and methods of transport; travel agency services; booking of seats (travel).

19. It is clear that the applied for terms: “transport”, “travel arrangement” and “travel information” are identical to terms in the opponents’ specification: “passenger transport”, “arranging of ... travel” and “information about travel”.

20. In relation to “packaging and storage of goods”, I see nothing in the earlier marks, be it in class 39 or any of the other classes, that has any material similarity with such a term. Mr Pennant did refer to hotels sorting items for its guests as part of its general

concierge services, but that does not in my view make the services in question similar, even on a complementary basis. Nor do I see any similarity with the “distribution of electricity”.

21. In class 39, that leaves “provision of car parking facilities”. If there is any similarity then it must be with rental of vehicles or, perhaps, as Mr Pennant submitted, with hotel services (which commonly offer ancillary parking services). However, such similarity is purely on a complementary basis and given the very different purposes and methods of use, I consider any similarity to be low.

22. I now turn to consider the applied for services in class 43:

Services for providing food and drink; temporary accommodation; restaurant, bar and catering services; provision of holiday accommodation; booking and reservation services for restaurants and holiday accommodation; retirement home services; crèche services.

23. The mark subject to the use conditions covers services in class 43 as follows:

Services in relation to locating accommodation in hotels, hostels, boarding houses, holiday camps, holiday homes, rest homes; providing food and drink prepared for consumption; such services may be provided by restaurants, canteens, self-service restaurants and similar facilities which satisfy individual or collective needs; accommodation rental agencies, accommodation reservations; hotels.

24. Other than retirement home services and crèche services, the applied for services all strike me as identical (or similar to the very highest degree) to terms in the opponents' class 43 specification. Even if the earlier mark survived only for hotel services, the services still have at least a moderate degree of similarity (accommodation services would still be identical). In relation to retirement home services, a rest home (as covered by the earlier mark) is a very similar term and is either identical or highly similar. However, if the opponents can rely only on hotel services, these terms are not identical or similar. In relation to crèches, I see no

similarity with any of the opponents' services (be it in class 43 or elsewhere) even if it is possible that hotels could offer services such as babysitting.

### **Average consumer and the purchasing act**

25. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

26. The average consumer will, as submitted by Mr Pennant, be a member of the general public, wishing to avail themselves of the accommodation, transport, food based services at issue. A no higher or lower than normal degree of care and attention will likely be used. Mr Pennant did highlight the provision of food and drink as an area where not a great deal of consideration will be applied, so heightening the risk of imperfect recollection leading to confusion. However, I see no real reason to treat the provision of food and drink in a materially different way to the other services. That does not, though, mean that imperfect recollection has no role, it continues to be a factor in the global appreciation.

27. The services will often be considered via perusal of brochures, websites, signage etc. which suggests that the visual impacts of the marks are important. However, the

aural impacts and also important because this is a field in which advice is often sought from a person such as a travel agent when booking a hotel for example.

### **Comparison of marks**

28. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

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

**JacHotels**

**AC HOTELS & AC HOTEL**

30. In terms of overall impression, Mr Pennant submitted that the JacHotels mark was dominated by the opponents' earlier mark AC HOTELS. Notwithstanding Mr Pennant's

further submission that this was possible because of the use made of the earlier mark, as I observed at the hearing, this is not the correct test. The purpose of assessing the overall impression is to ascertain which parts of the respective marks have more relative weight in their respective overall impressions in order to then consider the level of similarity that exists between them.

31. All of the marks contain the word Hotels/HOTELS/HOTEL as their second component, words which are non-distinctive in relation to the services at issue. Given the subordinate role these words play, the overall impression of the marks will be dominated more by the initial (and distinctive) words/letters Jac and AC respectively. However, I fully accept Mr Pennant's submission that the similarity must still be assessed as a whole and that the presence of the word Hotels/HOTELS/HOTEL must still be taken into account.

32. Visually, the closest marks are JacHotels and AC HOTELS. Mr Pennant submitted that the difference in casing does not help to distinguish the marks visually because notional and fair use of word marks includes use in upper case, lower case, or upper and lower case. I accept this submission. However, I do not accept the submission that notional and fair use of the JacHotels mark would include a type of use where due to colouring and/or shading, the J of Jac is separated from the ac. This is not the mark being considered and, if Mr Pennant were correct, this would be to find similarity (or increased similarity) on an artificial basis not on the basis of the inherent characteristics of the word mark put forward for registration. I do not accept that what Mr Pennant was submitting was on a par with the decision of the General Court in *Starbucks Corp v EUIPO & Nersesyan*, T-398/16 where it took into account the notional use of the colour green when deciding on the similarity between trade marks where some of the trade marks relied upon were depicted in green.

33. Mr Pennant considered the marks as a whole to be very similar. I note from the applicant's counterstatement that it considers the marks to be dissimilar because: i) they are only similar on the basis of the inclusion of the generic word HOTEL(S), ii) that the marks just have a co-incidental inclusion of two letters (the a and the c) and, iii) that its mark forms a single unique synthetic word mark as opposed to the opponents' distinctive two word mark AC HOTEL(S).

34. The first part of each mark consists of/contains the letters ac/AC. However, there is a difference in the first part because of the additional initial letter J in the applied for mark. The marks also coincide in respect of the second element HOTELS, although given the nature of this word, I have already found that this element plays a subordinate role in the overall impression. I conclude that there is a medium degree of visual similarity. There is no material difference in the comparison with the AC HOTEL earlier mark. I note that in his submissions Mr Pennant made reference to a number of earlier cases (MIDAS/IDAS, FAST/XFAST, JETBLUE/AIRBLUE & BIOMAX/METABIOMAX) which he said demonstrated that similarity could be found even if the initial letters/elements were different. I accept this (and I have found some similarity in any event) but whether this leads to a likelihood of confusion must, of course, be decided on the merits of the case before me.

35. Aurally, the words HOTEL/HOTELS will be articulated in the conventional way where they appear in each of the marks. The question is whether the Jac element and the AC element will be articulated as words or letters. Mr Pennant referred to them most often as letters and that there would be aural similarity on this basis, but he said there would also be similarity if they were articulated as words.

36. In my view, the Jac element will be pronounced in the same way as the male forename Jack. The letters that make up the element are structured in a way (with a vowel separating two consonants) that lends itself to articulation as a word. That is not the case for AC. I consider it improbable that the average consumer will articulate this as a word. They will, instead, pronounce it purely as letters A-C (AY-SEE). Given all this, JacHotels has only a low degree of aural similarity with both earlier marks based purely on the second subordinate and non-distinctive words.

37. Conceptually, AC is most likely to be articulated on the basis of the letters themselves, creating no real concept. Jac may be articulated on the basis of a variant spelling of the male forename. However, I accept that many average consumers may see it purely as an invented word with the position from that perspective being no real conceptual similarity or difference. That all the marks contain the word HOTEL/S could create some conceptual similarity, but this is somewhat superficial given the descriptive nature of the word.

## **Distinctiveness of the earlier mark(s)**

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

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

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

39. It is unlikely that the average consumer will see the marks as suggesting an air-conditioned hotel. The letters will not strike the average consumer as having any particular meaning. Letters themselves are generally not regarded as having a particularly high level of inherent distinctive character, although there is no reason to accord them a low degree of distinctiveness either. I consider they are entitled to a normal, average degree of distinctiveness.

40. Use can enhance the distinctiveness of the marks. The question before this Tribunal is whether the average consumer in the UK would be confused. Thus, any enhancement of distinctiveness must be assessed from their perspective. There are only two hotels in the UK identified. However, it is not even clear when these hotels were opened. There is, though, evidence showing the number of bookings (and associated revenue) made by customers with a home address in the UK. Whilst the numbers are not insignificant, I am doubtful whether the use that has been made will have elevated the degree of distinctiveness of the earlier mark(s) to a material extent.

41. Mr Pennant characterised the distinctiveness as being of at least an average level - this is where the distinctiveness falls having assessed the inherent and use position.

### **Likelihood of confusion**

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

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later

mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

43. Even taking into account that some of the services are identical e.g, the hotel services in 43 and the transport services in class 39, there is in my view no likelihood of direct confusion. The closest marks are, as observed earlier, JacHotels and AC HOTELS. The greatest aspect of similarity is on a visual basis, but then it is only medium. Furthermore, the only point of distinctive similarity between the marks (Jac v AC) is even less, with the difference in the initial letter standing out quite significantly in this short element. This does not mean that I am making anything other than a whole mark comparison, but taking all this into account, and bearing in mind imperfect recollection, I do not believe that the average consumer will mistake one mark for the other.

44. That then leads to indirect confusion. Having found that the average consumer will not mistake one mark for the other, and thus notice the difference between the marks (including the different initial letter), I see no reason why the average consumer will put the similarity that exists between the marks down to a same stable service. There is no likelihood of indirect confusion.

### **Conclusion**

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

### **Costs**

46. I have determined these proceedings in favour of the applicant. It is, therefore, entitled to an award of costs. In the assessment that follows I will also cover the costs in relation to the withdrawn proceedings, although, most of the material filed in the proceedings was duplicative and, also, the cases subsequently consolidated. I award the applicant the sum of £700 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Considering the statement of case and filing a counterstatement x2: £400

Considering evidence: £300

47. I therefore order Marriott Worldwide Corporation & ACHM Global Hospitality Licensing, S.A.R.L. (being jointly and severally liable) to pay Jac Travel Limited the sum of £700. The above sum should be paid within 14 days of the expiry of the appeal period or, if there is an appeal, within 14 days of the conclusion of the appeal proceedings.

**Dated this 3 day of May 2018**

**Oliver Morris**

**For the Registrar,**

**the Comptroller-General**