

In the matter of THE TRADE MARKS ACT 1994

**And in the matter of Application No. 3120133
in the name of JAC TRAVEL LIMITED to register**

JacHotels

in classes 39 and 40

and Opposition thereto no. 405510

**by MARRIOTT WORLDWIDE CORPORATION and ACHM GLOBAL
HOSPITALITY LICENSING, S.A.R.L.**

On appeal from the decision of Mr Oliver Morris dated 3 May 2018

DECISION OF THE APPOINTED PERSON

Introduction

1. This is an appeal against the Decision of Mr Oliver Morris, the Hearing Officer, rejecting the opposition proceedings brought by of Marriott Worldwide Corporation and their associated company ACHM Global Hospitality Licensing, SARL. I shall refer to the Opponents as 'Marriott'. The trade mark application in question is for

JacHotels

in respect of the following services in classes 39 and 43:

Class 39: transport; packaging and storage of goods; travel arrangement; distribution of electricity; travel information; provision of car parking facilities

Class 41: 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; creche services.

2. Marriott are the proprietors of 2 earlier marks. The first in time is EUTM 2549087 for **AC HOTELS**, registered on 25 July 2003 for a wide range of services in classes 39, 41 and 43. The second is EUTM 13894944 for **AC HOTEL** registered on 3 August 2015 in classes 36, 39 and 44. The Opposition is based on s5(2) of the Trade Marks Act 1994.
3. The opposition based on the **AC HOTELS** registration required Marriott to prove use under s6A of the Act. The Hearing Officer did not ultimately make a formal decision on the question of use, having considered that there was no likelihood of confusion in any event. However, as he recognised, there plainly was evidence of use in the relevant period in relation to the services covered by that registration which are central to this case, namely those associated with the provision of hotel accommodation in class 43:

'Services in relation to locating accommodation in hotels...providing food and drink prepared for consumption...accommodation reservations; hotels.

4. Since the **AC HOTELS** mark is the closest mark to the mark applied for, it is convenient to deal with the issues on this Appeal by reference to the Opposition based on that mark.
5. The Hearing Officer's decision may be summarized as follows:

- (i) He approached the question of likelihood of confusion from the point of view of the average consumer, characterised as a member of the general public using a normal degree of care and attention
- (ii) He compared the two marks based on their overall impression without artificially dissecting them, but took account of the fact that the word **HOTELS** present in both was non-distinctive in relation to the services in issue and therefore that the overall impression of both marks would be dominated more by the initial distinctive words **AC** and **Jac**.
- (iii) He dismissed the argument that an ordinary and fair use of the mark applied for would be to separate out the letter **J** from the letters **ac**.
- (iv) Given the relative unimportance of the word '**HOTELS**' he concluded that the marks had only a medium degree of visual similarity.
- (v) The initial syllable of the mark applied for would be pronounced by the average consumer like the male forename 'JACK' and therefore (and given the lack of significance of the word **HOTELS** there was only a low level of aural similarity).
- (vi) There was no particular conceptual similarity, since neither **AC** nor **Jac** created any concept in the mind of the public, being invented words.
- (vii) Marriott's case was not assisted by their mark having an enhanced degree of distinctive character acquired through use. The evidence of use was insufficient to establish a material enhancing effect.
- (viii) Overall, there was no likelihood that an average consumer would mistake one mark for the other, and therefore no risk of direct confusion between the marks. Nor was there a likelihood of indirect confusion, there being no obvious reason why the average consumer would believe that a mark with a different initial letter was being adopted by way of a brand extension or sub-brand.

6. Marriott challenged this Decision before me on a number of grounds which I shall consider individually.

The significance of the word HOTELS

7. A theme throughout the Appeal was that the Hearing Officer had effectively ignored the common element **HOTELS** when considering the similarities between the marks. I do not consider that this is a fair characterisation of his approach. He found that the word **HOTELS** '*played a subordinate role in the overall impression*' [paragraph 34], and that the overall impression of the marks was '*dominated more by the initial (and distinctive) words AC and Jac*' [paragraph 31]. This was plainly right, given the highly descriptive nature of the word **HOTELS** and the fact that it is commonly used as part of the trade mark of hotel groups. However, he also stressed that he accepted that the marks should not be artificially dissected [paragraph 29].
8. It seems to me therefore that the Hearing Officer applied precisely the right approach. It is absolutely necessary, both as a matter of common sense and in the light of the guidance of the Court of Justice in cases such as BIMBO SA v OHIM C-591/12P for a tribunal considering the likelihood of confusion between two marks to discount the impact of similarities caused by the presence of purely descriptive elements. That does not mean that those elements are ignored, because they still have an effect on the overall impression of the marks. The Hearing Officer plainly understood this principle and applied it.

Visual similarity

9. Marriott contended that the Hearing Officer should have found a high level of visual similarity, rather than a medium level. Essentially this complaint was that the Hearing Officer placed too much significance on the fact that the marks start with a different letter. Marriott cited a

number of cases, in particular BASF v LACOSE-SOTINCO, a decision of the Board of Appeal of the EUIPO (R253/2003-1), the marks in question there being FAST and XFAST, in which the Board remarked:

‘The marks are closely similar visually since they are composed of the same word ‘FAST’ and the addition of the letter ‘X’ does not substantially modify the appearance of the later mark.’

10. I do not find it helpful to assess a decision on the similarity of two marks by reference to a decision on the similarity of quite different marks. If a decision is to be criticized, it should be by reference to a point of principle, not alleged inconsistency with another decision which turned on its own particular facts. There are obvious distinctions between the FAST/XFAST case and the present, not least the fact that the common element there was an actual word ‘FAST’ which would have been recognised by the average consumer. The addition of the letter X did not affect the perception of the word FAST in the mark applied for. Here, the letters ‘AC’ would not be recognised as a separate word at all, and certainly would not be recognised as such within the word ‘JacHotels’.

Aural similarity

11. Perhaps the prime argument pressed on appeal was that the Hearing Officer was wrong to envisage that the ‘**Jac**’ element of the mark applied for would be pronounced in the same way as the male name ‘Jack’. It was contended that it could equally be pronounced ‘J-A-C’ in the same way as the name ‘RAC’ of the well-known provider of vehicle break-down services, and that this would result in a high degree of aural similarity, rather than the low degree found by the Hearing Officer.

12. I do not find the analogy with ‘RAC’ compelling in this case. The RAC is a well-known trade mark. It originally derives from the initials of the full name ‘Royal Automobile Club’, and naturally continued to be pronounced

in the same way after the full name was dropped. It is possible that the existence of the motoring organisation might influence people to pronounce the letters RAC seen in some other context in the same way, but I do not see what that has to do with the letters 'JAC'. The public would normally expect the letters Jac at the beginning of a word to be pronounced as a single syllable – as in 'Jackhammer', 'Jacobin', 'Jacuzzi'.

13. I thus believe that the Hearing Officer was right. It was not contended that 'AC' in the mark 'AC Hotels' would be pronounced other than as the initial letters 'A' and 'C'. Therefore (bearing in mind the entirely descriptive nature of the word 'HOTELS') the finding of only a low level of aural similarity was correct.

Conceptual similarity

14. It was argued that the Hearing Officer was wrong to dismiss the effect of the word HOTELS on the conceptual similarity between the marks. I do not believe he did so. Rather, he correctly remarked that given the highly descriptive nature of the word, any effect on conceptual similarity was *'somewhat superficial'*. This is obviously right. The conceptual similarity is that both marks involve a meaningless word or set of letters followed by the name of the service being provided. The impact of such a conceptual similarity on the likelihood of confusion is plainly minimal, and therefore the Hearing Officer was correct not to give it any real weight.

Enhanced distinctiveness

15. Although no challenge was made in the Appeal Notice to the Hearing Officer's finding that there was insufficient enhanced distinctiveness to affect the likelihood of confusion, this was a point run at the hearing. I do not believe that it was open to the Appellant to run this point, but in any event I am satisfied that the Hearing Officer was correct on the evidence.

Conclusion

16. I do not consider that the Hearing Officer made any error of principle in his interpretation of the law or the evidence, or that his decision was one that he was not entitled to reach on the facts. I therefore reject this Appeal and direct that UK trade mark application 3120113 shall proceed to grant.

IAIN PURVIS QC
The Appointed Person
6 June 2019