

TRADE MARKS ACT 1994

**In the matter of application No 2444000
by The Melfort Club to register the trade marks
THE MELFORT VILLAGE/MELFORT VILLAGE
in classes 16, 36, 41, 43 & 44**

**And in the matter of opposition No 97581 by
Melfort Pier Holidays Limited**

APPEAL from the decision of Mr Oliver Morris dated 25 March 2010

DECISION

1. This is an appeal against a decision of Mr Oliver Morris, the Hearing Officer for the Registrar, dated 25 March 2010 (BL O/096/10), in which he rejected an opposition to the registration of a series of two marks THE MELFORT VILLAGE and MELFORT VILLAGE, brought on the basis that the marks were objectionable as geographical terms under section 3(1)(c) of the 1994 Act. Both sides agreed at the hearing below that the addition of the definite article in the first mark makes no difference to the merits of the opposition.
2. The parties to the opposition proceedings are both involved in the provision of holiday accommodation by Loch Melfort on the West Coast of Scotland. The Applicant, The Melfort Club ("the Club"), is an unincorporated association which runs a time-share resort of around 20 properties set at the head of Loch Melfort. The Opponent, Melfort Pier Holidays Ltd ("Pier"), also provides self-catering accommodation in about 12 houses with associated leisure facilities, on land near to the Club's resort.
3. The basis of Pier's opposition was set out in paragraph 9 of its Grounds of Opposition, namely that "Both historically and recently ... the small collection of houses, farms and other structures in and around Melfort has been referred to as 'Melfort Village'." Its position on the appeal was that Melfort is "the name used to describe a geographical area at the north eastern extremity of Loch Melfort in the Highlands of Scotland. In particular, it is used to describe a small collection of houses (some of which comprise the

applicant's holiday resort, some of which comprise the Appellant's holiday resort, and some of which are other houses or businesses serving the local tourist trade)." This argument was rejected by the Hearing Officer.

Background

4. On 18 January 2007, the Club applied to register the marks for goods and services in Classes 16 (stationery, etc), 36 (Time share management services), 41 (providing sports and leisure facilities), 43 (holiday village services, etc), and 44 (beauty salons etc).
5. I have described the essential basis of Pier's opposition above. The Club asserted that the words MELFORT VILLAGE "have not been ... used to describe a geographical location and are used solely to designate the services and facilities provided by [Club]."
6. Both sides filed substantial evidence and there was a hearing before Mr Morris at which the parties were represented by the same counsel who appeared before me on this appeal.

The Grounds of Appeal

7. The basis of the appeal, as set out in the Grounds of Appeal, was summarised by Mr Ward in his skeleton argument as follows:
 - a. The Hearing Officer failed properly to apply the test laid down in *Windsurfing Chiemsee* as to the registrability of geographical locations. In particular he misunderstood the nature and importance of the factor that is the public's association between the location and the goods and services. (Ground 6).
 - b. The Hearing Officer misconstrued the word 'village' and erred by artificially narrowing the expression village beyond its dictionary definition. (Grounds 1 and 2).
 - c. Having given 'village' an artificially narrow construction, the Hearing Officer concluded that 'the area referred to as Melfort Village' did not fall within that construction without any proper basis for doing so (Grounds 3, 4 and 5), or wrongly concluded that it was not likely to fall within it in due course. (Ground 8).
 - d. The Hearing Officer considered whether the Appellant *needed* to use the expression MELFORT VILLAGE. That is the wrong test. (Ground 7).

The nature of this appeal

8. It was common ground between the parties that this appeal is a review of the Hearing Officer's decision. That decision with regard to each of the issues in this case involved a multi-factorial assessment of the kind to which the approach set out by Robert Walker LJ in *REEF TM* [2002] EWCA Civ 763, [2003] RPC 5 at [28] applies:

“In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. A decision does not contain an error of principle merely because it could have been better expressed.”

Nevertheless, of course, as there was no cross-examination, if necessary, I am in as good a position as the Hearing Officer to assess the written evidence.

The Hearing Officer's decision

9. The Hearing Officer carefully summarised the evidence. Although I was directed to a number of points in the evidence and to some of the exhibits, I do not think that serious criticism was made of the Hearing Officer's summary of the evidence, but the Appellant of course criticises the inferences and conclusions which he drew from it.

10. Pier criticised the Hearing Officer for the manner in which he applied the relevant law, although he did refer to the appropriate legislation and the leading authorities. Section 3(1)(c) states that marks shall not be registered “which consist exclusively of signs or indications which may serve, in trade, to designate the ... geographical origin, ... or other characteristics of goods or services.” The test – as for other types of descriptive terms – is whether the geographic terms describes objective characteristics of the goods and services. The parties were agreed that the leading authority on this provision is the judgment of the European Court of Justice in *Windsurfing Chiemsee* (Joined cases C-108/97 and C-109/9) to which the Hearing Officer referred, first citing the general policy considerations set out in paragraphs 25-6 of the decision:

“25 ... Article 3(1)(c) of the Directive pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all, including as collective marks or as part of complex or graphic marks.

Article 3(1)(c) therefore prevents such signs and indications from being reserved to one undertaking alone because they have been registered as trade marks.

26 ... it is in the public interest that [geographical names] remain available, not least because they may be an indication of the quality and other characteristics of the categories of goods concerned, and may also, in various ways, influence consumer tastes by, for instance, associating the goods with a place that may give rise to a favourable response.”

11. The Hearing Officer also set out the concluding paragraph 37 of *Windsurfing*, which makes plain that the registration of place names as trade marks is prohibited not only

“where the names designate places which are, in the mind of the relevant class of persons, currently associated with the category of goods in question”

but also where the signs are

“geographical names which are liable to be used in future by the undertakings concerned as an indication of the geographical origin of that category of goods.”

Moreover,

“where there is currently no association in the mind of the relevant class of persons between the geographical name and the category of goods in question, the competent authority must assess whether it is reasonable to assume that such a name is, in the mind of the relevant class of persons, capable of designating the geographical origin of that category of goods; in making that assessment, particular consideration should be given to the degree of familiarity amongst the relevant class of persons with the geographical name in question, with the characteristics of the place designated by that name, and with the category of goods concerned.”

In addition, it seems to me that paragraph 33 of the judgment is relevant here:

“... article 3(1)(c) of the Directive does not in principle preclude the registration of geographical names which are unknown to the relevant class of persons or at least unknown as the designation of a geographical location or of names in respect of which, because of the type of place they designate (say, a mountain or lake), such persons are unlikely to believe that the category of goods concerned originates there.”

12. The Hearing Officer did not refer to further case-law, but I have found it helpful to consider two decisions of the Court of First Instance applying *Windsurfing*. The first of these is Case T-295/01, *Nordmilch EG v OHIM* [2003] E.C.R. II-4365; [2004] ETMR 70 in which the Court upheld the refusal to register the mark “Oldenburger” for a variety of foodstuffs, where Oldenburg is a German town well-known as the centre of an agricultural area with dairy, livestock and meat-processing industries. The Court held:

“29 Article 7(1)(c) of the Regulation pursues an aim which is in the public interest, namely that descriptive signs or indications relating to the categories of goods or services in respect of which registration is applied for may be freely used by all. The

provision therefore prevents such signs or indications from being reserved to one undertaking alone because they have been registered as trade marks (see, by analogy, Windsurfing Chiemsee, para.[25]).

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

31 Furthermore, it may be observed, first, that the registration of geographical names as trade marks solely where they designate specified geographical locations which are already famous, or are known for the category of goods concerned, and which are therefore associated with those goods in the mind of the relevant class of persons, is excluded as, secondly, is the registration of geographical names which are liable to be used by undertakings and must remain available to such undertakings as indications of the geographical origin of the category of goods concerned (see, by analogy, Windsurfing Chiemsee, paras [29] and [30]).

...

33 However, Art.7(1)(c) of the Regulation does not in principle preclude the registration of geographical names which are unknown to the relevant class of persons—or at least unknown as the designation of a geographical location—or of names in respect of which, because of the type of place they designate, such persons are unlikely to believe that the category of goods concerned originates there (see by analogy Windsurfing Chiemsee, para.[33]).

34 In the light of all the foregoing, a sign's descriptiveness cannot be assessed other than by reference to the goods or services concerned, on the one hand, and by reference to the understanding which the relevant persons have of it, on the other.

...

37 In that connection, the Board of Appeal found at paras [27] to [29] of the contested decision that it is well-known in Germany at national level that Oldenburg is the capital of a region that is essentially centred on agriculture, in particular in the dairy, livestock and meat-processing industries, which the applicant does not deny. From that point of view, it must be observed that a large number of agricultural products carry the designation Oldenburger combined with a generic term or the designation Oldenburg combined with the name of the producer.

38 Having regard to the fact that the geographical area which is directly evoked by the relevant public is known as a region that produces the goods in question, those persons may perceive the geographical name as an indication of the geographical origin of those goods."

13. The second Court of First Instance decision which I find helpful is Case T-379/03 *Peek & Cloppenburg KG's application* [2005] E.C.R. II-4633; [2006] E.T.M.R. 33, where the applicant sought to register as a Community trade mark the word mark CLOPPENBURG for retail trade services in Class 35. Cloppenburg is a small town in Lower Saxony (the number of inhabitants is unclear from the report, but seems to be around 30,000). The

Board of Appeal had refused the registration as an indication of geographical origin. The Court repeated the guidance it had given in *Nordmilch* and reversed the Board of Appeal's decision, finding that there was insufficient evidence that average customers in Germany knew the sign as a geographical location, but even if it could leave that question open:

"46 ... given the small size of that town, it must be considered that, even if German consumers do know of it, that knowledge must be regarded as slight or, at the most, as moderate.

47 Secondly, the Board of Appeal has not demonstrated to the required legal standard that there existed, in the eyes of the public concerned, any link between the town or region of Cloppenburg and the category of services concerned, or that the word 'Cloppenburg' might reasonably be supposed, in the eyes of that public, to designate the geographical origin of the category of services at issue.

...

49 Now, even if the relevant public does know of the town of Cloppenburg, it does not automatically follow that the sign may serve, in trade, to designate geographical origin. In order to examine whether the conditions for application of the ground for refusal to register at issue have been satisfied, account must be taken of all the relevant circumstances, such as the nature of the goods or services designated, the greater or lesser reputation, especially within the economic sector involved, of the geographical location in question and the relevant public's greater or lesser familiarity with it, the customs obtaining in the area of activity concerned and the question as to what extent the geographical origin of the goods or services at issue may be relevant, in the view of the persons concerned, to the assessment of the quality or other characteristics of the goods or services concerned.

50 In the circumstances, the relevant public is only slightly, or at the very most, moderately, familiar with the town of Cloppenburg. First, it is a small town. Secondly, the Board of Appeal has not mentioned any Class of goods or services for which that town enjoys a reputation as the place where the goods are produced or the services rendered. Moreover, the Board of Appeal has not established that it is current practice in trade to indicate the geographical origin of retail trade services. In addition, the geographical origin of such services is not usually regarded as relevant when assessing their quality or characteristics.

51 In those circumstances, the town of Cloppenburg does not present, in the view of the public concerned, any link with the category of services concerned, and it is not reasonable either to imagine that the indication at issue might in the future designate the geographical origin of those services."

14. The first stage of the Hearing Officer's determination of the issue before him was to establish whether the mark consisted of a geographical name or indication. First of all, Mr Morris considered whether "Melfort" alone was such a name, and how well known the name was to the general public. At paragraph 40 of his decision, the Hearing Officer said "There is no dispute that the word Melfort has a geographical significance." In paragraph 41 he found that both parties were running their businesses in Melfort,

contrary to the Club's assertion that its business was in Kilmelford; the Hearing Officer considered that the evidence showed Kilmelford is an extended area and Melfort is within it. At paragraph 43 he commented that other than the parties' respective businesses there "seems to be little else in the area of Melfort" although Mrs Roberts (for the Club) gave evidence of some other businesses serving tourists in the area.

15. The Hearing Officer then noted the relevance of public familiarity with the name, and considered the level of such familiarity with 'Melfort', saying:

"44. Given that one of the factors highlighted by the ECJ in *Chiemsee* relates to the degree of familiarity with the geographical name in question I should set out, as a starting point, what degree of familiarity the relevant public has of the location Melfort. The relevant public to consider here is the UK public at large given the nature of the goods and services sought to be registered. Whilst there are examples of both Pier's and Club's business being advertised in various publications, and, so, the existence of Melfort and/or Loch Melfort may have also been promoted to a certain extent, the intensity and nature of such promotion is limited. There is no evidence to suggest that Melfort is a generally known location. The fact that Club themselves describe Melfort as a popular tourist destination does not alter this as this may represent nothing more than the fact that Club's business (and also Pier's) has been popular, but as the business consists of just over 20 properties (Pier's business is even smaller) then this does little to support that the place is more generally known. ... the degree to which Melfort is known must be extremely limited. The relevant public in Scotland may be more familiar with the place ... On the whole, though, the degree of familiarity is low. For the small numbers of the relevant public that know of the place then they will know it as a small remote location on the west coast of Scotland with a pleasant natural environment making it a suitable place for holidays."

16. Next, the Hearing Officer considered whether the more particular 'area' (to adopt his neutral term) in which the parties run their businesses is, as a matter of fact, a village. He started with a dictionary definition of a village, but as may be seen from the extract from his decision below, he did not limit himself to that definition:

"Is there a village in Melfort?"

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

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

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

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

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

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

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

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

17. Mr Ward accepted before me that the Hearing Officer was entitled to put himself into the shoes of the average consumer in considering what the word “village” would mean to such a consumer. That concession is plainly right, and leads in my view to the conclusion that the Hearing Officer was also right not to limit himself to a single dictionary definition of the term, all the more so as such definitions may (and do) vary. For instance, the definition cited by the Hearing Officer differs from the online Cambridge dictionary of a village as “a group of houses and other buildings, such as a church, a school and some shops, which is smaller than a town, usually in the countryside” and the online Oxford dictionary definition of “a group of houses and associated buildings, larger than a hamlet and smaller than a town, situated in a rural area.” This dictionary also explains that a hamlet is “a small settlement, generally one smaller than a village, and strictly (in Britain) one without a church...”
18. The Hearing Officer’s view of what a village would mean to the average consumer was that a village is generally understood as a “centre of habitat,” by which he meant that a village is not just a settlement of more than just a few houses, but normally has one or more essential community amenities, such as a church, shop, or post office. His finding reflects a distinction between a village and a smaller settlement such as a hamlet which it seems to me he was entitled to make (and which co-incidentally is closer to the online definitions I have mentioned above) and in my judgment it would not be appropriate for me to revisit this point on the appeal. He found (in paragraphs 49 and 51) that the parties’ respective businesses even taken together did not add up to a village. In my judgment, the Hearing Officer’s conclusion on this point cannot be said to be plainly in error.
19. I note the Hearing Officer’s comment at the end of paragraph 46 “What matters, though, is whether, as a matter of fact, such a place is a village.” Had his analysis ended there, I think it would have been open to criticism, at least if the evidence had shown that the settlement although not actually a village (on the Hearing Officer’s test) was nevertheless known as or called a village (see the point made by Mr Ward which I discuss in paragraph 24 below in relation to Ground 5 of the Grounds of Appeal below). However, the Hearing Officer did consider whether the evidence before him showed that the settlement was known as or called a village. Some of the exhibits showed use of

the term 'village' by the Club itself, but he found in paragraph 49 that this was "a reference to its holiday resort. The use does not describe the simple geographical location of where its services are provided." Then in paragraph 50 he found that "the majority [of uses] come back to the fact that Melfort Village is a resort or holiday village rather than an actual village." Indeed, it seems to me that the evidence shows inconsistent use of the term 'village', and in one case at least, in a single press article in Mr Christlieb's exhibit JCC9, use of the term was made interchangeably with the word 'hamlet'. Similarly, in paragraphs 58 and 60 (which I have set out below) the Hearing Officer noted that the only uses disclosed in the evidence of the term 'Melfort Village' were made by the two parties to the opposition; such uses by the Club at least were indicative of the business rather than the location, whilst uses by Pier were of recent date, and the Hearing Officer found it strange (see his paragraph 58) that no such use had been made of the 'designation' Melfort Village for some 16 years, but such use only commenced after Mr Christlieb made his own application (later withdrawn) to register the mark Melfort Village.

20. Similarly, Pier argued that nothing should be read into the fact that the maps exhibited did not show use of the word 'village' alongside the name Melfort, nor did postal addresses (other than recent such use by Pier itself), for generally use of the word village alongside a name would indicate a geographical location. The Hearing Officer did not accept that argument, in the absence of a village at Melfort, as he explained in paragraph 56. I think it fair to say that his paragraph of the decision is rather circular in its reasoning. As I have said above, it seems to me that the fact that the Hearing Officer had, in my view properly, found that the settlement was *not* a village would not have prevented the term 'Melfort Village' from being a geographical name, had there been evidence showing that there was some general practice of using 'Melfort Village' in that way. However, there was no such evidence before the Hearing Officer, so that I do not consider that paragraph 56 discloses any material error in the decision.
21. It seems to me, therefore, that on the evidence before him, the Hearing Officer was entitled to find that there was no general use of the term 'Melfort Village' or 'the village of Melfort'. Whilst I accept that another Hearing Officer might have reached a different decision on this point, it does not seem to me that this conclusion can be said to be so

plainly in error that I should set it aside. Even if the Hearing Officer had erred in his analysis of whether the 'area' is a village, therefore, that would be of little or no significance given his finding that the term is not generally used as a geographic name. I therefore reject Grounds 1, 2 and 4 of the Grounds of Appeal.

22. Nor do I perceive any error in the Hearing Officer's analysis of the question whether Melfort is a settlement exhibiting the characteristics of a village which he had identified. The evidence before him related essentially to the parties' respective businesses and properties, and in so far as reference was made to other houses or businesses in the area, as he pointed out, he had no evidence of their location or number, nor (it seems to me) of the nature or scale of any business. Ground 3 of the Grounds of Appeal alleged that there was no evidence that there was not, for example, a local shop, but this does not seem to me to be sufficient reason for me to find that the Hearing Officer erred, and I reject this ground also.

23. In Ground 8, Pier complained that the Hearing Officer erred in not considering that a shop would 'probably' open in the area in the future, so as to serve the tourist trade, so that the 'settlement' would in due course become a 'village' on his own test. However, the Hearing Officer did consider the point. He said at paragraph 59:

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

In paragraph 60 he noted that not all of the land in Melfort is owned by the Club, distinguishing the position from that in the *Battersea Power Station* decision, relied upon by the Club. In the circumstances, it does not seem to me that there is any material error in this respect and I reject Ground 8 also.

24. Ground 5 of the Grounds of Appeal raised a rather different point. Pier said that the Hearing Officer failed to take into account unchallenged evidence that the ruined

historic village of Melfort had been purchased and divided into parts, and was currently described as Melfort village or the village of Melfort. The passages in the decision upon which Pier relies are as follows:

“The historic village in Melfort.

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

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

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

25. Pier’s point was that, if Mr Christlieb’s evidence as to the current practice of referring to the parties’ land as Melfort Village was indeed unchallenged, the Hearing Officer was wrong to find that the opposite was the case. Indeed, if that was what the Hearing Officer meant by paragraph 53 of his decision, it seems to me that he was contradicting the findings he had made in paragraphs 50-51 and also those he went on to make in paragraphs 56-8 and 60.

26. At the hearing before me, Mr Ward said “People refer to this collection of buildings ... as Melfort Village. That is the unchallenged evidence.” Mr Silcock responded to this point on the Club’s behalf by saying that only part of the evidence mentioned in paragraphs 52-3 was unchallenged, namely, the evidence which related to the historic village. He argued that the core of the Club’s case was that the phrase Melfort Village nowadays designated only its business and did not operate as a geographic designation in itself; he said that was pleaded in paragraph 13 of the Club’s Counter-Statement and supported by the evidence of Mrs Roberts given on behalf of the Club. Mrs Roberts had said “the term Melfort Village is to indicate the holiday village services of the Applicant exclusively and is unique to the Applicant.” It was in reply to that statement that Mr Christlieb made

the assertions in his 2nd witness statement which were set out by the Hearing Officer in paragraph 52 of his decision.

27. In my view, the only unchallenged evidence to which the Hearing Officer could have been referring this passage was that relating to the existence, destruction and (possibly) recreation of the historic village. Had he also found that the evidence that the land occupied by the parties and adjacent land is collectively called Melfort Village or the village of Melfort was unchallenged, he could not consistently have made the findings which he did make at paragraphs 51, 56 and 60.
28. The statements of case and the evidence clearly showed that there was an issue between the parties as to whether the term Melfort Village is currently used only in relation to the Club's business, or used more generally in relation to the geographical location, and the Hearing Officer approached the case on that basis. In the circumstances, in my judgment the Hearing Officer's reference in the first sentence of paragraph 53 to unchallenged evidence should be seen in the context of his decision as a whole; if that is done, in my judgment he must have intended only to say that the evidence as to the past was unchallenged. In addition, the final sentence of paragraph 53, which *is* consistent with his other findings, supports that view of his decision. Perhaps the Hearing Officer might have expressed himself with more clarity, but it does not seem to me that Ground 5 of the Grounds of Appeal can succeed.
29. The Hearing Officer next turned to consider whether the term 'Melfort Village' should be kept free for use by other traders and set out the test at paragraph 54:

“... The primary proposition is whether MELFORT VILLAGE is a sign which should be kept free for other traders to use – the test is whether it is reasonable to assume that the place name is, in the mind of the relevant public, currently designating or capable of designating the geographical origin (or location of provision) of the goods and services sought to be registered.
30. In Ground 6 of the Grounds of Appeal, Pier acknowledged that this was the correct test to apply but complained that the Hearing Officer failed to apply it. In his skeleton argument, Mr Ward said that the Hearing Officer had “misunderstood the nature and

importance of the factor that is the public's association between the location and the goods and services." He referred me to the decision of OHIM's 1st Board of Appeal in case R 1727/2007-1, Patagonia. That was an application to register the word mark Patagonia for a variety of beverages in Class 32. The Board of Appeal referred to *Windsurfing* and *Oldenburger* and said:

"24 From this case-law it results that not only indications that are known or even famous with respect to the goods concerned should be refused. In fact, such an approach would lead the stages of examination into a reverse order. The procedure should not begin by considering the geographical indication and ask whether it is famous and for what goods; instead, one should start with the goods and ask whether the trade mark applied for could be understood as a reference to their origin. According to the aforementioned case-law, this is the case even if the indication is not yet being used; if a location which is not currently being used by anyone is reasonably expected – in the future – to be used as an indication of the origin of goods – on account of the kind of the product and the size of the location and/or country – the prohibition still applies.

25 In the case at hand, 'PATAGONIA' is a place, a region. Neither the parties nor the Office challenges that the word will be recognised as such by the relevant consumers.

26 The question lies, therefore, in deciding whether consumers would think that the beer, water and soft drinks bearing that word were actually manufactured in that region or, on the other hand, that associating those goods with such origin is unlikely for whatever reason, in which case the word could perform its function as a trade mark.

31. It seems to me that the Board's suggestion in paragraph 24 that the examiner "should start with the goods and ask whether the trade mark applied for could be understood as a reference to their origin" cannot always be the first step in the decision making process, for an examiner cannot answer that question without knowing first whether the mark would be recognised as a geographical term at all. In *Patagonia*, of course, that was common ground, as paragraph 25 shows, but it cannot be taken as read in a case such as the present, or even in the case of much larger settlements, as the *Cloppenburg* case shows. In any event, the examiner would still have to take into account whether there was an existing connection between that place and the goods, or might be one in the future. I am not persuaded that the *Patagonia* decision means that the Hearing Officer erred in the process he adopted here.
32. The Hearing Officer dealt first with the registrability of Melfort alone, and then with the objection to Melfort Village.

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

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

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

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

...

60. There is one further argument I can see. That is that Club’s own use may have educated the relevant public into regarding Melfort Village as an actual village. Nevertheless, I am content that the majority of uses by Club will not have sent a clear and unequivocal message that MELFORT VILLAGE is simply a geographical location. Most of the uses refer to the resort or to the complex and they come back, full circle, to the Melfort Village being a holiday resort. The context of use is also indicative of an undertaking rather than as a pure description. Whilst I

agree that some of the uses could possibly have sent a descriptive message (such as the plain advertising in exhibits CR10, 11 and 12) this is not enough to have altered the factual meaning of the mark. Furthermore, the degree of such education of the public (if there has been any) is quite limited given the sorts of promotional figures referred to in Ms Roberts' evidence."

33. It seems to me that the Hearing Officer's analysis of the familiarity of the relevant public with the name Melfort as a geographical name, and his consideration of whether the relevant public would see it as indicating the origin of the goods and services in the Club's specification, both in the passage immediately above and in paragraph 44 of his decision, discloses no error of principle in the light of the guidance I have cited above. The Hearing Officer found, rather as in the *Cloppenburg* case, that the geographical name Melfort was little known or unknown to the relevant public, as designating geographical origin, and (in paragraph 60) that the degree of education of the public as to Melfort being a holiday resort was limited. That reflects his findings as to the very small size of the settlement at Melfort and the apparently small scale of the parties' respective businesses.
34. Ground 6 of the Grounds of Appeal claimed that such findings were plainly wrong because "there is *self-evidently* awareness amongst the public that holiday services are available in Melfort, because both of (at least) the [Club and Pier] run businesses providing holidays in Melfort" (emphasis added). It does not seem to me that the Hearing Officer can be criticised for having relied upon the evidence before him, rather than for failing to draw an inference which Pier claims was "self-evident" but which was not consistent with the Hearing Officer's reading of the evidence.
35. The facts of this case can be contrasted, for instance, with the decision of OHIM's 2nd Board of Appeal in appeal no. R 193/2005-2, where the mark "Bellagio" was refused registration for hotel and related services in Classes 41 and 42, because Bellagio, albeit a small town on Lake Como, was well-known to a significant number of European consumers as a holiday resort. In my judgement, the Hearing Officer was entitled to find here that the level of familiarity of relevant consumers with the name Melfort was too low for the geographic term to be seen as such, still less that the name was perceived by relevant consumers as the name of a holiday resort.

36. Ground 6 of the Grounds of Appeal also criticised the Hearing Officer's finding that the public would not assume that services such as beauty salons would be found in Melfort, saying again that it was "self-evident that the services for which registration is sought ... would be found in Melfort, because that is the purpose of seeking registration in relation to those goods. In any event the public increasingly expect to find ancillary services (such as beauty salon services) at holiday destinations, and there was no evidence on which the Hearing Officer could found his argument that the public would expect otherwise."
37. It does not seem to me that for the purpose of examining the mark in relation to such services, one must assume that the services would only be offered in Melfort. The specification is not so limited, and one cannot preclude the expansion of the use of the sign to services offered in other locations, should the Club's business expand. Moreover, if the use of the name Melfort (or indeed Melfort Village) used in relation to services such as "holiday village services" would not, on the facts of this case, be perceived as describing objective characteristics of the goods and services, then no more would it describe services such as the provision of beauty salons, whether or not ancillary to such resort services. This comes back to the Hearing Officer's findings as to the obscurity of the name as a geographical name and the lack of familiarity of the relevant public with the name as a geographical description for these services.
38. That leaves the question of whether the name might in the future be liable to be used as an indication of the geographic origin of the goods and services in the specification. The assessment of whether a geographical name, though not currently used to designate origin, is liable to do so in the future has of course to be made on the basis of consumer perceptions and any other relevant objective criteria at the relevant date. In paragraph 32 of the decision in *Windsurfing*, the ECJ held that "when assessing whether the geographical name is capable, in the mind of the relevant class of persons, of designating the origin of the category of goods in question, regard must be had more particularly to the degree of familiarity amongst such persons with that name, with the characteristics of the place designated by the name, and with the category of goods concerned." In addition, *Cloppenburg* shows that the mere fact that services *can* be rendered at the place does not justify the refusal of the trade mark application, unless the name is *liable* to be used in the future as an indication of geographical origin services.

39. Pier argued that it would inevitably be the case that a geographic term used in relation to the provision 'holiday services' is liable to be perceived as making reference to the location where services are rendered. I see the force in that submission in so far as holiday services are concerned, although I think it is less compelling in respect of the various ancillary services in Club's specification and, carries no weight in respect of the goods in Class 16. However, it would only affect the result if the sign applied for was, indeed, a geographic term. Here the Hearing Officer drew a distinction between the name 'Melfort' which he found was a geographic term, albeit an obscure one, and 'Melfort Village' which he found was not, but was a term used only for the Club's holiday resort/business (he discounted Pier's own apparently self-serving use of the term). As I consider that I should not interfere on appeal with those findings of fact, it seems to me that I cannot hold that the Hearing Officer erred in finding that that Melfort Village is not a place name which, in the mind of the relevant public, is capable of designating the geographical origin (or other geographical characteristic) of the goods and services in question in future. On that basis, this ground of appeal also fails.
40. In paragraph 57 of the decision, the Hearing Officer purported to consider the question of whether "Pier would need use the designation Melfort Village for descriptive purposes." In Ground 7 of the Grounds of Appeal, Pier complained that that was the wrong test for the Hearing Officer to have applied, the test was not one of need, but of whether the term ought to remain available for other traders to use. The Hearing Officer had set out the correct test in paragraph 54 of the decision and it seems to me that he had considered that test but expressed himself infelicitously in paragraph 57. It does not seem to me that in the light of all the other findings made by the Hearing Officer, and the views he expressed in paragraph 58 as to the limited circumstances in which Pier had used the term Melfort Village, he would have come to any other conclusion on this point.
41. That disposes of the appeal. One other matter was raised in front of me which I shall mention briefly. The Club had argued before the Hearing Officer that the mark had acquired a distinctive character through its use. In the circumstances, he did not deal with the point. The Club did not file a respondent's notice but indicated its intention to

rely upon the decision as it stood. Mr Silcock nevertheless made a number of submissions in his skeleton argument on the appeal which appeared to relate to the issue of acquired distinctiveness. Mr Ward objected that under the Rule 71(5) the Club should have filed a respondent's notice if it wished to argue that the decision should be affirmed upon such additional grounds. I agree. However, in the circumstances, the question of whether the Club had acquired distinctiveness in the mark does not arise.

42. The parties agreed that costs of the appeal should follow the event and be on the usual scale. I therefore order Pier to pay the Club £1500 towards its costs of the appeal, within 14 days of the date of this decision. The Hearing Officer ordered Pier to pay the Club £1800 in respect of the opposition. That order stands, but I will extend the time for payment until 14 days of the date of this decision so that both sums shall be payable at the same time.

Amanda Michaels
21 January 2011

Mr Henry Ward instructed by Messrs Silverman Sherliker appeared on behalf of the Opponent/Appellant

Mr Ian Silcock instructed by Messrs IP21 Ltd appeared on behalf of the Applicant/Respondent