

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 2218188  
BY BED FACTORY HOTELS LTD**

**AND**

**OPPOSITION NO. 51044 THERETO BY  
CHOICE HOTELS INTERNATIONAL, INC**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF application  
No. 2218188 by Bed Factory  
Hotels Ltd and opposition No.  
51044 by Choice Hotels  
International, Inc.**

### **Background**

1. On 23 December 1999, Bed Factory Hotels Ltd applied in class 42 under application No. 2218188 for the following as a series of four marks:

BIG SLEEP  
BIGSLEEP  
THE BIG SLEEP  
THE BIGSLEEP

for a specification of services of: Hotel and motel services; bar, restaurant and catering services; accommodation services; hotel reservation services.

2. On 1 June 2000, Choice Hotels International, Inc filed notice of opposition. The grounds of opposition are, in summary:

- Under Section 5(2)(b) and 6(1) because 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 opponent's earlier trade mark is protected;
- Under Section 5(4)(a) in that its use is liable to be prevented by virtue of any rule of law (in particular, the law of passing off protecting an unregistered trade mark or other sign used in the course of trade);
- Under Section 3(3)(b) in that it is of such a nature as to deceive the public.

3. The applicant filed a counterstatement essentially denying the grounds of opposition. Both parties filed evidence and both requested an award of costs.

4. In line with established practice, the registry wrote to the parties indicating that the case was considered suitable for a decision to be taken from the papers. Both parties were, however, reminded of their right to a hearing. Neither party requested a hearing and only the applicant filed written submissions. After a careful study of all the papers, I now give this decision.

### **Opponent's evidence**

5. This takes the form of a witness statement dated 11 June 2001 of Bruce N Haase, a director of Friendly Hotels, a position he has held since October 2000. Mr Haase says that he has been involved in the hotel business for over a year. He explains that Friendly Hotels PLC are the UK franchisee of Choice Hotels International, Inc who are the proprietors of the trade mark SLEEP INN.

6. Mr Haase says that the trade mark SLEEP INN was first used in the UK in approximately 1989 and that use continued until 1995. At this time the then franchisee ran into financial difficulties and discontinued trading. Following the appointment in 1998 of Friendly Hotels PLC as the master franchisee for the UK, the SLEEP INN was re-launched in August 1999 with the first SLEEP INN hotel opening its doors in October 2000. Mr Haase exhibits material relating to the previous franchisee and the re-launch.

7. Mr Haase states that although the re-launched SLEEP INN hotels did not open their doors until October 2000, since the appointment of Friendly Hotels PLC as a master franchisee in 1998 the Sleep brand has appeared on all company literature and advertising materials and he exhibits samples of these. Mr Haase says his company regularly advertises in national newspapers and attends and participates in various UK exhibitions to publicize the SLEEP INN range of hotels.

8. Mr Haase states his belief that his company's registration is the only UK registration of or containing the word SLEEP in respect of hotel or motel services and that he is not aware of any other company using the word SLEEP as or as part of a trade mark for hotel or related services in the UK.

9. Mr Haase goes on to say that in view of the use and advertising of the various chains of hotels owned or operated by Choice Hotels International, Inc over the years, UK customers would associate the trade mark SLEEP or SLEEP INN exclusively with them and that use by a competitor of the word SLEEP would give rise to confusion.

### **Applicant's evidence**

10. This consists of a statutory declaration by Cosmo Fry dated 25 October 2001. Mr Fry says he is the Managing Director of Bed Factory Hotels Ltd, a position he has held since 18 June 1999. Much of Mr Fry's declaration is taken up with commentary and submission, however he denies any similarity between his mark and that of the opponent and says he is unaware of any confusion having arisen between them. Mr Fry also details the background to the setting up of his company's hotel and choice of name. He says he was not aware of the opponent's mark SLEEP INN and device before his trade mark was applied for. He says that his company's use of the BIG SLEEP commenced on 1 April 2000 and has been limited to date to an hotel in Cardiff. He exhibits various advertising and promotional material as well as press cuttings.

**Opponent's evidence in reply**

11. This takes the form of a witness statement of David Schollenberger and dated 5 June 2002, however, in it he merely makes a number of comments and submissions, which I will return to later in this decision as appropriate.

12. That completes my summary of the evidence.

**Decision**

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

13. The opponent's first ground of opposition is based on Section 5(2)(b) of the Act which states:

- “5.- (1) .....
- (2) A trade mark shall not be registered if because-
- (a) .....
- (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.

- (3) .....
- (4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –
- (a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or
- (b) .....

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

The term “earlier trade mark” is defined in section 6 of the Act as follows:

“6.- (1) In this Act an “earlier trade mark” means-

- (a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,”

14. The registration on which the applicant relies is an earlier trade mark within the definition of section 6 of the Act. In determining the question under section 5(2), I take into account the guidance provided by the European Court of Justice (ECJ) in *Sabel v Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R.723. It is clear from these cases that:

- (a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors: *Sabel BV v Puma AG*, paragraph 22;
- (b) the matter must be judged through the eyes of the average consumer of the goods/services in question: *Sabel BV v Puma AG*, paragraph 23, 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 he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen B. V.* paragraph 27;
- (c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details: *Sabel BV v Puma AG*, paragraph 23;
- (d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*, paragraph 23;
- (e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki v Metro-Goldwyn-Mayer Inc*, paragraph 17;
- (f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either per se or because of the use that has been made of it; *Sabel BV v Puma Ag*, paragraph 24;
- (g) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG*, paragraph 26;

- (h) further, 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; *Marca Mode CV v Adidas AG*, paragraph 41;
- (i) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, paragraph 29.

15. Under section 5(2) the test is a composite one, involving a global appreciation taking into account a number of factors. With these comments in mind, I go on to consider the opponent's case under section 5(2)(b).

16. For ease of reference the opponent's mark is set out below:



The specification of services covered by both the applicant's and the opponent's marks are identical. The opponent's mark consists of the words SLEEP and INN written in ordinary typeface. Above them is a circular device which is separated into three roughly equal stripes of graduating tones, lightest uppermost. The words and device are placed within a framed, dark rectangular border. Neither the word SLEEP or INN are distinctive for the services in question but there is some distinctiveness in the combination of words and in the totality of the mark.

17. The applicant's mark is a series of four as set out earlier in this decision. The marks are essentially the words BIG and SLEEP either separately or conjoined. Neither the word BIG nor the word SLEEP is distinctive for the services in question but again there is some distinctiveness in the combination. This is especially so given that the combination is not one that is used in ordinary language.

18. Although both parties' marks contain the word SLEEP, the word forms only a part of each of the marks. The applicant's mark also contains the word BIG which precedes the word SLEEP. The opponent's mark contains the word INN after the word SLEEP and also contains the other elements of a circular device and background. The marks therefore have some similarities but also have significant visual, aural and conceptual differences.

19. The opponent has claimed use of his mark, and I go on to consider whether his mark has acquired a higher distinctive character through use. The opponent claims his mark was first used in approximately 1989 and that use continued until 1995. There is no evidence provided to substantiate what use was made of the mark in this period and therefore I am unable to determine whether the mark did, in fact acquire any reputation during this period. However, any reputation that may have accrued through any such use is, I believe, likely to have been eroded during the admitted four year period of non-use running up to the relevant date of 23 December 1999 especially in view of the nature of the services in question.

20. Mr Haase says that use of the mark recommenced in August 1999 and the first hotel under the new franchise opened its doors in October 2000. He exhibits various material in support, however, much of the evidence provided is undated, appears to have been prepared for the American market or does not bear the opponent's trade mark as registered. Some of the material bears dates which indicate its having been prepared sometime before Autumn 2000 but there is nothing to suggest it was prepared or available to the public on or before the relevant date of 23 December 1999. I am given no details of any turnover figures or advertising spend for any period between the date of first use and the relevant date. On the basis of the evidence before me, I am unable to find that the opponent's mark had acquired a reputation at the relevant date.

21. Taking all factors into account, I find that the trade marks are not sufficiently similar in distinctive features to create a likelihood of confusion, even in respect of identical services. The application under S5(2)(b) fails.

#### **5(4)(a)**

22. I have considered the opponent's use under Section 5(2)(b). Given my findings under that heading I do not feel that their position under Section 5(4)(a) is any stronger and the opposition under this ground also fails.

#### **3(3)(b)**

23. Given my findings above, I decline to deal with the objection under this heading which is merely an alternative way of pursuing the S5(4)(a) objection and is more appropriately dealt with as a relative ground objection.

**Conclusion**

24. The applicant has been successful and is entitled to a contribution towards costs. I order the opponent to pay the applicant the sum of £1,100 towards his costs. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against the decision is unsuccessful.

**Dated this 07 day of January 2003**

**Ann Corbett  
For the Registrar  
The Comptroller-General**