

TRADE MARKS ACT 1938 (AS AMENDED)

AND TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 1504733
BY GRAMPIAN HOLDINGS PLC**

AND

**IN THE MATTER OF OPPOSITION NO. 43800 THERETO
BY GLENEAGLES HOTELS PLC**

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**IN THE MATTER OF Opposition No. 43800 thereto
by Gleneagles Hotels plc**

BACKGROUND

On 29 June 1992, Grampian Holdings plc, Rolls House, 7 Rolls Buildings, Fetter Lane, London, EC4A 1NH, applied under Section 17(1) of the Trade Marks Act 1938 to register the trade mark GLENEAGLES in Class 25.

It subsequently proceeded to advertisement in Part A of the register, under the proviso to Section 18(1) and Section 12(2) of the Act, in respect of the following specification of goods:-

Sweaters, cardigans, hats, jackets, blouses, skirts, coats and proof jackets; all included in Class 25.

On 22 December 1995, Gleneagles Hotels plc filed notice of opposition against the application. The grounds of opposition are in summary:

1. Under Section 12(1) because of the opponents earlier registrations, copies of which can be found in Annex A of this decision.
2. Under Section 11 of the Act, because of the use of the trade mark GLENEAGLES by the opponents such that any use by the applicants of the trade mark in suit would cause confusion and deception.
3. Under Sections 9 and 10 of the Act, because at the date of filing the trade mark was neither adapted to distinguish the applicants' goods, nor capable of doing so.
4. Under Section 17 and Section 12(2) of the Act, because at the date of filing the applicant was not the true proprietor of the GLENEAGLES trade mark.

The applicants filed a counter-statement denying these grounds of opposition.

Both sides ask the Registrar to exercise his discretion, and to award costs, in their favour.

The matter came to be heard on 25 November 1998, when the applicants were represented by Mr Andrew Waugh of Queen's Counsel, instructed by Murgitroyd & Co. The opponents were represented by Mr Guy Tritton of Counsel instructed by Messrs. Fitzpatrick's.

By the time the matter came to be heard the Trade Marks Act 1938 had been repealed in accordance with Section 106(2) and Schedule 5 of the Trade Marks Act 1994. In accordance with the transitional provisions set out in Schedule 3 to that Act however, I must continue to apply the relevant provisions of the old law to these proceedings. Accordingly, all references in the later part of this decision are references to the provisions of the old law.

Opponent's Evidence

This consists of a Statutory Declaration dated 31 July 1996 by Peter Julian Lederer, of Ochil Lodge, The Gleneagles Hotel, Auchterarder, Perthshire, Scotland. Mr Lederer explains that he is the Managing Director of Gleneagles Hotels plc, with whom he has been employed since 1983. He explains that his company owns and operates The Gleneagles Hotel at Auchterarder in Perthshire. The hotel was opened in 1924, and he refers to Exhibits PLJ1 and PLJ2, which consists of souvenir books issued in 1984 (and revised in 1988) by the Gleneagles Hotel, to celebrate their diamond jubilee. These books, Mr Lederer claims, gives an indication of the Hotels fame and international reputation; it has since 1982 been a member of "The Leading Hotels of the World". Mr Lederer says that over the years since 1924, Gleneagles has hosted numerous national and international events, which has contributed to the growth of the reputation and fame of Gleneagles and he lists examples of these events over the last 30 years.

Mr Lederer continues by stating that since 1962, substantial sales of clothing have been made, marked GLENEAGLES, through the Golf Professional Shop at the Gleneagles golf courses in the hotel grounds. He then refers to Exhibits PLJ4, which is a copy of a Statutory Declaration dated 15 December 1992, by the then golf professional at the Gleneagles Hotel namely Ian Marchbank, which gives details of sales of clothing under the GLENEAGLES marks from 1985 to 1992.

Mr Lederer says that despite a thorough search, the Exhibit to that Declaration cannot be found. In short, Mr Marchbank's's declaration states that sales of clothing bearing the Hotel trade marks, for the years 1985 to 1992, amounted to £640,000. However, I note that this figure includes goods other than clothing (eg golf balls, umbrellas, headcovers, and shoe bags) which if deducted, leaves a figure of £540,000 in respect of sweaters, shirts, belts and caps. He goes on to say that sales of clothing marked GLENEAGLES have continued since 1992, and provides details but I note, that these are all after the material date in these proceedings, and as such can be given little weight.

Mr Lederer continues by saying that the company appreciates the need to protect the past and continuing massive investment necessary to operate Gleneagles, and its various leisure facilities at the luxury and prestigious end of the international market. To protect the commercialisation of the resulting high quality reputation and goodwill built up in the name GLENEAGLES, very substantial sums have been spent in obtaining approximately 170 trade mark registrations for, and including GLENEAGLES in the UK and other countries. The company, amongst others, owns a number of marks in Class 25, and these are shown in Annex A of this decision. He explains that in 1987, the company purchased inter alia Trade Mark Registration 663309, a GLENEAGLES label, from Goldstone Suppre & Company Limited. The purchase included the goodwill the company had built up in the mark since 1937, as a result of the use of the mark on "Rainproof, waterproof and showerproof coats". Goldstone Suppre & Company Limited inadvertently

5 allowed a parallel registration No: 663309 for a GLENEAGLES Label to lapse but the opponents obtained a replacement registration under no 1329578, and has itself sold a few high quality raincoats labelled THE GLENEAGLES COLLECTION. In 1991 Mr Lederer's company purchased registration 1220351 from Grand Woollen Centre Limited. The purchase included the goodwill they had built up in the trade mark GLENEAGLES on knitwear since 1986.

10 In 1991, Mr Lederer explains that his attention was drawn to a knitwear catalogue issued by a company called Glenmuir Limited, which is a subsidiary of Grampian Holdings plc (the applicants). As the catalogue made use of the trade mark GLENEAGLES, he wrote to Glenmuir Limited asking them to cease use of the trade mark. He exhibits a copy of his letter at PJJ7. Following further correspondence he has not seen any further use of the trade mark by Glenmuir Limited. Mr Lederer concludes that as GLENEAGLES is not a dictionary word, Glenmuir Limited must have thought to gain some benefit from the association of their knitwear with the reputation already existing in the name GLENEAGLES, established by the efforts and investment in its promotion by his Company and its predecessors.

15 Mr Lederer completes his Declaration by referring to the fact that in January 1993, Grampian Holdings plc lodged a formal Opposition against his company's trade mark application (now registered) under No: 1468665 for the mark GLENEAGLES in Class 25 for: "Articles of outer clothing and headgear all included in Class 25; but not including footwear". However, he explains that the opposition was abandoned in October 1993, following receipt of his company's counterstatement. A copy of the Counterstatement in those proceedings is shown at Exhibit PLJ8. However, here again I note that this is after the material date in these proceedings and has no bearing on them.

25 **Applicant's Evidence**

30 This consists of a Statutory Declaration dated 30 January 1997 by William Young Hughes, of Stag House, Castlebank Street, Glasgow G11 6DY. Mr Hughes explains that he was appointed Chief Executive of Grampian Holdings plc in 1976, and took on the additional role of Chairman in 1985.

35 Mr Hughes refers to Exhibit WH1, which is copy of a Statutory Declaration made by Mr John David Douglas, who was the Assistant Company Secretary of Grampian Holdings plc, at the time the application to register the trade mark the subject of these proceedings was made. Mr Hughes explains that he concurs with the information contained in that Declaration. Mr Douglas's Declaration indicates that the trade mark has been used since at least as early as 1983 by the company and its subsidiaries, on the following goods: "Knitwear, such as sweaters and cardigans, and a designer range of outer clothing including hats, jackets, blouses, skirts, coats and proof jackets". The turnover figures of Moffat Woollens Limited (a subsidiary of the applicants) during 40 the period 1983 to 1989, amounted to some £69,343, 000. Mr Douglas estimates that as a conservative estimate, 10-15% of this figure was in respect of goods sold under the GLENEAGLES trade mark. In 1991 the applicants authorised its fully owned subsidiary Glenmuir Limited to use the GLENEAGLES trade mark in respect of "woollen jumpers, sweaters and pullovers". Mr Hughes explains that the turnover under the trade mark (at wholesale prices) in 45 1991 amounted to approximately 16,435 units which equated to a turnover of some £411, 000. The goods were distributed to sporting retail outlets and golf professionals and promoted at trade

stands, such as at the British Open golf championships. In Mr Hughes view Mr Douglas' Declaration provides evidence of the use and reputation in respect of the trade mark GLENEAGLES in connection with "sweaters, cardigans, hats, jackets, blouses, skirts, coats and proof jackets", by Grampian Holdings plc and its subsidiary companies.

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Mr Hughes then explains that he has read and is familiar with the Declaration filed in support of the opposition by Peter Julian Lederer on behalf of Gleneagles Hotels plc. In his view, the evidence provided largely relates to the reputation of Gleneagles Hotels plc, and not to knitwear and other clothing goods for which registration is sought by his company. Therefore, in his view, evidence demonstrating the opponents reputation in the goods which are the subject of this application is absent.

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In looking at Mr Lederer's declaration Mr Hughes disputes the claim that the opponents have been using the trade mark on clothing since 1962. Mr Hughes states that prior to 1992 GLENEAGLES was used by the opponents only as a way of advertising the hotel and not as a trade mark in relation to the goods. Mr Hughes then refers to Exhibit WH2, which he says are photographs of sweaters and shirts he considers to be typical of clothing sold from the Golf Shop at Gleneagles. Mr Hughes draws attention to a label on the collar of a sweater which carries the wording "Made expressly for Ian Marchbank. Gleneagles Hotel Golf Courses By LYLE & SCOTT Hawick Scotland". Mr Hughes also refers to the words "SPORTING CHOICE" which appears on the label of a shirt, and points out that there is no mention or reference to the word or trade mark GLENEAGLES. In Mr Hughes' view, the words GLENEAGLES appearing across the front of the sweater and shirt is in a manner which he would take to be one which is promoting the Hotel. Mr Hughes comments that as his application was filed in 1992, some of the statements in Mr Lederer's Declaration are not relevant, as they concern use after the material date in these proceedings. A view I have already expressed.

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Mr Hughes admits that his company's subsidiary Glenmuir Limited received Mr Lederer's letter dated 31 October 1991 (Exhibit PJJ 7), but goes on to say that his company did not provide the written undertaking requested and they disputed Mr Lederer's contentions. Copies of the correspondence is Exhibited at WH3.

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Mr Hughes notes Mr Lederer's reference to GLENEAGLES not being a dictionary word. However, Mr Hughes points out that GLENEAGLES is a geographical location in Scotland, and argues that because it is common place in industry to adopt geographical names, to allege bad faith is not appropriate. Exhibit WH4 is a list of other registrations, besides Goldstone Suppre & Company and the Grand Woollen Centre Limited (both now owned by the opponents), for the trade mark GLENEAGLES either alone, or with other elements. Mr Hughes comments that these registrations demonstrate that the word GLENEAGLES is used by a variety of other traders, in relation to a variety of goods, and that notably none of these proprietors reside in Gleneagles.

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Mr Hughes admits that his company opposed Gleneagles Hotel plc application to register the Trade Mark GLENEAGLES under No. 1468665 in Class 25. However, he explains that the opposition was not pursued by his company because commercial negotiations were in progress between his company's subsidiary Proquip Limited and the Gleneagles Hotel plc, and they (the applicants) did not wish to prejudice these negotiations. It was not, Mr Hughes says, in any way related to the content of the applicants counterstatement.

Mr Hughes concludes his Declaration by stating that in circumstances where no one proprietor has an exclusive right to the use of the trade mark GLENEAGLES in relation to all goods and services; where the applicant has used the trade mark GLENEAGLES in connection with the subject goods since 1983; whilst the opponent has used the mark GLENEAGLES, as a trade mark only since approximately 1992 in connection with the subject goods; he feels that the application should be allowed to proceed to registration.

Opponents' Evidence in Reply

This consists of three Statutory Declarations. The first is a further declaration by Peter Julian Lederer. The second and third declarations are made by Aubrey Silverstone and Lesley Wootton.

Mr Lederer's second Declaration is dated 5 August 1997. He says that he has read the Declaration by William Young Hughes on behalf of the Applicant and refers to Exhibit WH1, a copy of the Declaration dated 15 March 1995 made by Mr Douglas during the prosecution of the application and to which Mr Hughes says he concurs. Mr Lederer says that he has difficulty in understanding that the Declaration provides evidence to support the claim by the applicants that they have used the mark on clothing since 1983. The turnover figures quoted are for the years 1983 to 1989, which is before Mr Douglas was in post (which was 1990). As no company records have been submitted with the Declaration, he says it is impossible to know what the company records say, or if they have been properly interpreted. Mr Lederer also questions the statement in Mr Douglas's Declaration referring to the "conservative estimate of 10-15% of the total turnover was in respect of goods sold under the trade mark". As Mr. Douglas was not in post at that time, Mr Lederer asks how this estimate was reached. Mr Lederer also states that according to his reading of the Declaration, any relevant sales by Moffat Limited ceased in 1989, and started up again in 1991 through a different subsidiary of the applicants, namely Glenmuir Limited. In his view these sales were relatively insubstantial and short lived, due to his complaint letter of 31 October 1991, referred to in his previous Declaration.

Mr Lederer goes on to claim that his company has had the benefit of use of the trade mark GLENEAGLES on clothing from:-

sales through the Golf Professional Shop at the Gleneagles Hotel golf courses; (as set out in his previous Declaration);

sales by Goldstone Supprey & Company Limited from 1937. Exhibit L1 is a copy of the relevant Deed of Assignment;

sales by Grand Woollen Centre Limited from 1986, Exhibits L2 and L3 consists of the relevant Deeds of Assignment and correspondence relating to the disposal of stock.

Mr Lederer also refers to earlier registrations which his company owns, which pre-date the filing of Application no. 1504733, and says that because of these registrations the onus must be on the applicant to justify by unequivocal evidence, entitlement to registration. Mr Lederer says that he does not feel that this has been done, and concludes that lack of evidence of confusion is most likely due to the paucity of use by the applicant, rather than any evidence that the two marks can

co-exist on the register. Mr Lederer claims that use of the trade mark GLENEAGLES by the applicants has not been continuous, and he questions why they applied to register the trade mark after they had stopped using it. In his view it appears to have been motivated to create a bargaining position for use in the commercial negotiations mentioned by Mr Hughes earlier in this decision. Exhibit L4 is copy of a letter dated 20 August 1993 from the applicants Proquip subsidiary, which was involved in the negotiations with the opponents. This is after the material date in these proceedings and I pay no regard to it.

Mr Lederer states that in his view people seeing the word GLENEAGLES on the front of a sweater would see this as trade mark use, and gives two examples of what he considers to be similar use. Mr Lederer says that if it was the intention to promote the hotel, then they would have used its name, The Gleneagles Hotel. Mr Lederer also states that the applicants have not stated how they came to select GLENEAGLES for use, despite the fact that Mr Hughes has admitted that he had previous knowledge of use of GLENEAGLES on clothing sold through the Golf Professional Shop at the hotel golf courses.

Mr Lederer explains that the primary areas of interest of his company are in the provision of hotel services, golf and leisure facilities, with additionally the sale of goods readily associated with these interests. On the advice of marketing consultants, they have sold various goods and services under the trade mark GLENEAGLES, selected to take advantage of the reputation for quality which they enjoy. Insofar as the registrations listed in Exhibit WH4 of Mr Hughes Declaration are concerned he notes that a number of these are “lapsed” or “abandoned”, and that the vast majority of the remainder are owned by his company. The others, are of no particular concern as they do not relate to areas his company has identified as being of particular commercial interest. Two of the registrations namely 1408339 GLENEAGLES (word only) in Class 21, and 1408341 GLENEAGLES and device also in Class 21, were only registered with their consent, and 1327138 THE GLENEAGLES (word only) in Class 32 has been assigned to them.

Mr Lederer comments that very occasionally staff in the Golf Professional Shop at their golf courses have been asked by customers if a shop with Gleneagles in its name situated in the Waverley Shopping Complex in Edinburgh is theirs, which it is not. He is not aware of any specific instances of confusion between his company’s GLENEAGLES clothing and any clothing marked GLENEAGLES sold by the applicant. However, he goes on to say that this does not mean that there may not have been any confusion, but says that this could be due to the low level of sales by the applicant over recent years.

The second Statutory Declaration is by Aubrey Silverstone of Manchester and is dated 26 July 1997. He states that from 1956 to 1985 he was employed by Goldstone Suppre & Company Limited of Lancashire House, 47 Peter Street, Manchester, M2 3NG. From 1956 he was a Director of the Company until it was liquidated in 1985.

Mr Silverstone states that throughout the whole of his employment with the Company it sold raincoats under the trade mark GLENEAGLES. These were sold throughout the UK to customers such as Freemans Mail Order Company, Scottish Co-operative Wholesale Society and J F Morgan’s in Swansea. There were also export sales. Mr Silverstone then refers to Exhibit S1, which consists of copies of Journal advertisements dated 26 April 1950 showing trade marks 663309 GLENEAGLES and Device in Class 25 and 663310 GLENEAGLES word only in Class

25, both in the name of his company, which he says were registered in 1947. Both he notes carry an indication that the Company had in fact been using the trade mark GLENEAGLES on raincoats since 1937. Mr Silverstone also refers to Exhibit S2, which consists of a label bearing the trade mark GLENEAGLES and device which he says was attached to clothing.

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Mr Silverstone explains that to the best of his knowledge and belief, substantial numbers of GLENEAGLES raincoats for adults and children were made and sold, and he estimates that volume was running at 1000 such raincoats per week prior to liquidation of the company in 1985, and had been running at that level for many years.

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The third Statutory Declaration is by Lesley Wootton, of 35c North Row, North Audley Street, London and dated 6 August 1997. Mr Wootton explains that since 1985 he has been employed by Grand Woollen Centre Limited as Personal Assistant to Joseph Basrawy, a Director of the Company. He states that he has access to and is familiar with the records of the Company and is authorised by the Company to make the Declaration.

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Mr Wootton states that in 1991, his company bought an existing trade mark registration 1220351 for the trade mark GLENEAGLES for items of knitwear. From 1986 to 1992, the company marketed a range of sweaters under the trade mark GLENEAGLES. However, due to a change of office premises he is unable to produce documentary evidence of use of the trade mark at that time. In 1991, his company sold registration 1220351 to Gleneagles Hotels plc and he refers to Exhibit W1, which consist of copies of correspondence between his company's Solicitors, Salamons, and Guinness Enterprises, concerning sale of the mark and the selling off of existing stock. Mr Wootton explains that the sale was completed in 1992.

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Additional Evidence filed by the Applicant

This consists of a Statutory Declaration by Peter Laing of Prestwick, Scotland, dated 27 July 1998. He states that although he is now retired, he was employed by Moffat Woollens Limited for nine years, during the periods 1972 to 1978, and 1983 to 1986. He explains that during this time he was the Financial Director, and his duties included responsibility for the preparation of the financial information for the Board, containing information in respect of the make up of sales including those using the GLENEAGLES mark. The information given comes from his own personal knowledge.

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Mr Laing confirms that he has read the Statutory Declaration by John David Douglas dated 15 March 1995, and refers to Exhibit PL1, a copy of Mr Douglas's Declaration. Mr Laing says that the evidence given therein is, as he recalls, accurate. Mr Laing goes on to say that the GLENEAGLES trade mark was in use in the United Kingdom from 1983 by Moffat Woollens Limited which was at that time, and during his time as financial director, and is currently, a wholly owned subsidiary of Grampian Holdings plc.

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Mr Laing states that catalogues produced in the 1980's show use of the trade mark GLENEAGLES in relation to knitwear, sweaters, cardigans and outer clothing, including hats, jackets, blouses, skirts and coats. Mr Laing then states that he is informed by Mr Douglas that the figures set out for the turnover in Mr Douglas Statutory Declaration at paragraph 4 are taken from company records, and Mr Laing confirms that the figure of 10 - 15% of these being in

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respect of goods sold under the GLENEAGLES mark is on the conservative side. Mr Laing confirms that Moffat Woollens Limited sold goods under the GLENEAGLES trade mark through retail outlets throughout Scotland and also that goods were widely distributed throughout the UK. He says that goods were also sold by mail order. Mr Laing confirms that goods were promoted under the GLENEAGLES mark in catalogues such as those shown in the Exhibit to Mr Douglas' Declaration, and mentioned earlier in this decision.

The final Declaration is by Ronald George Jenkins of 373 Scotland Street, Glasgow G5 8QA and dated 8 October 1997. Mr Jenkins states that he is a trade mark agent employed by Murgitroyd & Company, agents for Grampian Holdings plc, and is duly authorised to make the declaration on their behalf.

Mr Jenkins refers to Exhibit A, which he declares is a true copy of the exhibits filed at the Trade Marks Registry with the Statutory Declaration of Mr John David Douglas dated 15 March 1995. Exhibit "A" consists of catalogues from Moffat Woollens Limited dated 1983, 1984, 1985, 1986, 1987, 1989, 1990 and a catalogue by Gleneagles of Scotland (a subsidiary of Moffat Woollens Limited) dated 1986, together with a Glenmuir Limited catalogue dated 1991. The remaining catalogues provided are either undated or appear not to be relevant.

That concludes my review of the written evidence filed insofar as it is relevant in this case. However, prior to the Hearing in a letter dated 30 September 1998, and with the opponents knowledge, the agents for the applicants explained that Messrs. Douglas, Hughes and Laing (who have all made declarations pertinent to these proceedings), were prepared to appear at the Hearing for the purposes of cross examination. Under the provisions of Section 55 of the Trade Marks Act 1938, I directed that these three individuals should appear, for cross examination in these proceedings. They were subsequently cross examined on the basis of their evidence. Insofar as it is relevant, this oral evidence has been taken into account in respect of this decision.

DECISION

The opponents made it clear at the start of the Hearing that only the grounds of opposition based upon the Sections 11 and 12 of the Act were to be pursued. However, in the context of this Decision as a whole, I believe it would be helpful to comment upon the objection based upon Section 9 of the Act. Section 9 of Trade Marks Act 1938 states:-

9. - (1) In order for a trade mark (other than a certification trade mark) to be registrable in Part A of the register, it must contain or consist of at least one of the following essential particulars:-

- (a) the name of a company, individual, or firm, represented in a special or particular manner;
- (b) the signature of the applicant for registration or some predecessor in his business;
- (c) an invented word or invented words;

(d) a word or words having no direct reference to the character or quality of the goods, and not being according to its ordinary signification a geographical name or a surname;

5 (e) any other distinctive mark, but a name, signature, or word or words, other than such as fall within the descriptions in the foregoing paragraphs (a), (b), (c) and (d), shall not be registrable under the provisions of this paragraph except upon evidence of its distinctiveness.

10 (2) For the purpose of this section "distinctive" means adapted, in relation to the goods in respect of which a trade mark is registered or proposed to be registered, to distinguish goods with which the proprietor of the trade mark is or may be connected in the course of trade from goods in the case of which no such connection subsists, either generally, or where the trade mark is registered or proposed to be registered
15 subject to limitations in relation to use within the extent of the registration.

(3) In determining whether a trade mark is adapted to distinguish as aforesaid the tribunal may have regard to the extent to which -

20 (a) the trade mark is inherently adapted to distinguish as aforesaid; and

(b) by reason of the use of the trade mark or of any other circumstances, the trade mark is in fact adapted to distinguish as aforesaid.

25 Prima facie, the trade mark in suit, GLENEAGLES does not meet the criteria for acceptance under the provisions of Section 9. The Trade Mark Registry's Work Manual dealing with geographical names states at paragraph 9-85:

30 The registration of major geographical place names as trade marks for goods (see Chapter 11 in relation to service marks) is barred absolutely - reference the Liverpool, Yorkshire and York decisions - and even in the case of less well known names the Courts and the Registry have been reluctant to encroach upon the freedom of traders (present and future) to use place names for their original purpose i.e. registration of geographical names of
35 lesser significance is not forbidden by the Act, particularly if evidence of factual distinctiveness is filed in support of the application. However, when considering evidence of factual distinctiveness, one must also consider whether the mark has any inherent distinctiveness and whether or not the location concerned has any reputation for the goods; whether such goods are likely to be produced there, either now or in the future,
40 and whether such goods are likely to be traded in, in the United Kingdom.

I therefore consider whether the use of the trade mark by the applicants as shown by their evidence is sufficient to justify its acceptance in Part A on the basis that it has become adapted to distinguish the applicants' goods from those of other traders. One of the points made by Mr
45 Tritton on behalf of the opponents during his submissions was that the use by the applicant had not been continuous, having ceased in 1989 and started again, but only for a short time, in 1991. The applicants submit that the break in the use was merely to prepare for the relaunch of the trade

mark by Glenmuir Limited following the earlier use by Moffat Woollens Limited, both subsidiaries of the applicant.

5 I think that the short break while the applicants prepared to relaunch the trade mark with another subsidiary is a sufficient reason to account for the absence of sales in 1990. The fact that the relaunch did in fact take place and sales amounting to £411,000 were made in 1991 is confirmation of that. I am also satisfied that the use by both of the subsidiaries can be taken into account in assessing the registrability of this trade mark (see BOSTITCH [1963] RPC 183).

10 From the figures provided by the applicants in their written evidence and from the information provided under cross examination by Mr Laing, I am satisfied that the applicant made use of the trade mark GLENEAGLES on a range of goods falling into Class 25 over the period 1983 - 1991, with a short break, for the reasons given above, in 1990. During this time the amount of sales under the trade mark amounted to a little over £10,000,000, on the basis of the conservative
15 estimate provided by the applicants. These are, to my mind, substantial figures and certainly sufficient to find that the trade mark GLENEAGLES is adapted to distinguish the goods of the applicants from those of other traders. However, the most recent use has been on woollen jumpers, sweaters and pullovers and therefore, I see no reason to extend the monopoly sought beyond those goods on which the applicants have most recently used the trade mark. Therefore,
20 if this application is to proceed in Part A of the register it may do so only so if the applicants amend the specification of goods by restricting them to those on which the trade mark has most recently been used.

I go on to consider the grounds of opposition based upon Section 12 (1). This reads:

25 12 (1) Subject to the provisions of subsection (2) of this section, no trade mark shall be registered in respect of any goods or description of goods that is identical with or nearly resembles a mark belonging to a different proprietor and already on the register in respect of:-

- 30
- a. the same goods
 - b. the same description of goods, or
 - 35 c. services or a description of services which are associated with those goods or goods of that description.

40 For the purposes of comparison I propose to use the opponents registration no. 1220351 for the trade mark GLENEAGLES in respect of a specification of goods which covers all of the goods to which the applicants are entitled to register the trade mark on the basis of the evidence of use as set out earlier in this decision.

45 The established test for an objection under Section 12(1) is set down in Smith Hayden & Co Ltd's application (Volume [1946] 63 RPC 101) in relation to the matter in hand this test may be expressed as follows:

Assuming user by the opponents of their trade mark GLENEAGLES in a normal and fair manner for any of the goods covered by the registration of that mark, is the tribunal satisfied that there will be no reasonable likelihood of deception among a number of persons if the applicants use their trade mark GLENEAGLES normally and fairly in respect of any goods covered by their proposed registration?

The usual test in relation to the comparison of trade marks is that set out by Parker J. in PIANOTIST CO'S application [1906] 23 RPC page 777 line 26 et seq:

"You must take the two words. You must judge of them both by their look and by their sound. You must consider the goods to which they are to be applied. You must consider the nature and kind of customer who would be likely to buy those goods. In fact, you must consider all the surrounding circumstances; and you must further consider what is likely to happen if each of these trade marks is used in a normal way as a trade mark for the goods of the respective owners of the marks. If, considering all those circumstances, you come to the conclusion that there will be a confusion - that is to say - not necessarily that one will be injured and the other will gain illicit benefit, but that there will be a confusion in the mind of the public, which will lead to confusion in the goods - then you may refuse the registration, or rather you must refuse the registration in that case."

There was no dispute between the parties that the goods for which the applicants are seeking to register their GLENEAGLES trade mark are the same as those covered by the registrations of the opponents, I therefore only have to compare the trade marks. The trade marks are, of course, identical, each of them being for the word GLENEAGLES solus. Therefore, as both the trade marks and the goods for which the trade mark is registered and for which registration is sought are the same, then I have no hesitation in concluding that there will be confusion in the mind of the public, which will lead to confusion in the goods, and therefore registration must be refused. The opponents therefore succeed in their grounds of opposition based upon Section 12(1).

I go on to consider the matter under Section 11. That section reads as follows:

11. It shall not be lawful to register as a trade mark or part of a trade mark any matter the use of which would, by reason of its being likely to deceive or cause confusion or otherwise, be disentitled to protection in a court of justice, or would be contrary to law or morality, or any scandalous design.

The established tests for objection under this section is as set down in the Smith-Hayden case, but later adapted by Lord Upjohn in the BALI trade mark case [1969] RPC 496. Adapted to the matter in hand this test can be expressed as follows:

Having regard to the user of the trade mark GLENEAGLES is the tribunal satisfied that the trade mark applied for, GLENEAGLES, if used in a normal and fair manner in connection with any goods covered by the registrations proposed will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?

I have already found under Section 12(1) that the respective trade marks are the same, I therefore need only consider the opponents' user and compare that with that of the applicants. The opponents claim that the reputation of GLENEAGLES is as an internationally renowned hotel and golf course and that the owners have capitalised on that reputation by selling merchandise, both clothing and other products, from a shop in the grounds. The word GLENEAGLES (sometimes used with an eagle device) appears on the outside of pullovers on the left chest and, in their view, amounts to trade mark use as well as denoting a connection with the hotel and golf course. In support of this, sales figures are provided which indicate that there have been sales. The opponents use the descriptive term substantial. However, in terms of the clothing market at large I would not regard sales of £100,000 per annum as substantial. In any event, I need to be satisfied that this use which the sales represent was as a trade mark and not simply as a badge indicating that it was a souvenir of the wearers visit to the hotel or golf course. In that connection, Mr Waugh for the applicants drew my attention to Unidoor Limited v. Marks & Spencer plc [1998] RPC 275 when Mr Justice Whitford held:

The plaintiffs had taken no steps to acquaint the purchasing public with the fact that COAST TO COAST was a trade mark of theirs. They supplied their goods to various types of store but put in no label to indicate that the words on the garment were their trade mark, even if they indicated that they supplied the goods.

In this particular case, there is some justification for the applicants' view that the use was not as a trade mark because persons buying a sweater from the golf club would see the name of the actual manufacturer - Lyle & Scott on the collar where one normally sees the trade mark. The term GLENEAGLES is embroidered on the left hand side of the chest of the garment. The precise wording shown on the label is exhibited at WH2 and it would appear to carry the trade mark SPORTING CHOICE together with the following:- "Made expressly for Ian Marchbank, Gleneagles Hotel and Golf Courses by Lyle & Scott, Howick, Scotland".

The same considerations apply to the other garments supplied by the opponents wherein the term GLENEAGLES is used, in my view, not as a trade mark but simply as an indication that the wearer has purchased the garment as a souvenir of his or her visit to that location.

In reaching this view I take account of the opponents' acquisition of the trade marks GLENEAGLES from Goldstone Suppre & Co Limited, who had used the trade mark since 1937 in relation to rain coats and from Grand Woollen Centre Limited, which had been used on knitwear since 1986. In my view these registrations were either not used on the same goods as those for which the application must be limited to in order to proceed (the Goldstone registration) or the registration was after the date of first use by the applicants of their GLENEAGLES trade mark (the Grand Woollen Centre registration). In the circumstances, I do not consider that at the date of application the opponents had acquired a reputation in the word GLENEAGLES as a trade mark for the goods covered by the application for registration and therefore it follows that use by the applicants of their trade mark, which although confusingly similar to the opponents' trade marks is, in my view unlikely to cause deception and confusion because it is the applicants who have used the trade mark first in relation to the particular goods at issue. In the circumstances the opposition under Section 11 fails.

My findings under Section 11 and 12 of the Act is not however the end of the matter since the applicants claim that they are in any event entitled to have their application accepted by virtue of the provisions of subsection 2 of Section 12 of the Act: That subsection states:-

5 (2) In case of honest concurrent use, or of other special circumstances which in the opinion of the Court or the Registrar make it proper so to do, the Court or the Registrar may permit the registration by more than one proprietor in respect of:-

- 10 a. the same goods
- b. the same description of goods or
- 15 c. goods and services or descriptions of goods and services which are associated with each other.

of marks that are identical or nearly resemble each other, subject to such conditions and limitations, if any, as the Court or Registrar, as the case may be, may think it right to impose.

20 I do not think it is disputed that Section 12(2) can be considered in this case and that in appropriate cases Section 12(2) can be utilised to overcome a finding as to possible confusion under Section 11 and 12 of the Act. This point was in fact confirmed by Mr Justice Falconer in the CHELSEA MAN case 1989 RPC 111 at page 121 line 41 where he said:

25 “In the Spillers’ case, Danckwerts J after considering the decisions of the House of Lords in Case, Ratcliffe & Gretton Ltd v. Nicholson & Son Ltd (1932) 49 RPC 85 and in Alex Pirie & Sons’ Applications (1933) 50 RPC 147, stated, at page 337, line 15 of the report:

30 “It seems to me that the construction put by the House of Lords in the cases to which I have referred” - and I interpolate, those were the Bass, Ratcliffe v. Nicholson and Pirie cases - “on sections 11, 19 and 21 of the 1905 Act must also apply to sections 11 and 12 of the 1938 Act, and lead to the conclusion that cases where the Court or Registrar thinks fit to exercise the discretion conferred by section 12(2) do not fall within the general prohibition contained in section 11.

35 This being so, it would appear logical in cases which come within section 12(1) to consider first whether the case is one in which the discretion conferred by section 12(2) should be exercised so as to allow registration of the mark, and if the answer is in the affirmative, it cannot be necessary to consider section 11 separately, because if there are reasons other than resemblance to an existing mark which cause the proposed mark to be disentitled to the protection of the court,

40 such reasons must surely affect the exercise of the discretion conferred by section 12(2). It is not possible, as it seems to me, to apply the provisions of the Act as though they were in separate compartments.”

45 and again at page 122 line:

In *Berlei v. Bali* case, Megarry J had to consider whether section 12(2) could override a section 11 objection. After setting out section 12(2) he stated (at page 476):

5 "I think it is plain that this subsection" - that is section 12(2) - "provides a
discretionary path to registration notwithstanding section 12(1) and also
notwithstanding section 11. Section 12(1) make this explicit in its opening
words", and he reads section 12(1). "In the case of section 11, there is no such
10 explicit provision enabling section 12(2) to override the section. Section 11
provides", and he reads that. Going on at line 14, he says, "Nevertheless, when
one considers the origin of these sections, coupled with the fact that the Act of
1938 is a consolidation Act, I think that section 11 must be subject to section
12(2). In the Trade Marks Act, 1905, section 11 provided the origin of the
15 present section 11, section 19 the origin of the present section 12(1) and section
21 the origin of the present section 12(2). In *Bass, Ratcliff & Gretton v.
Nicholson & Son Limited* (1931) 49 RPC 88, the House of Lords held that the
then section 11 was subject to the then section 19, the clear intention of section
19 being that, despite section 11, there was power to register in a case excepted
20 by section 19. Section 19 excepted from its prohibition two cases, namely where
there was an order of the court, and where the trade mark was in use before 13
August 1875. The *Bass* case fell under the latter head; but if that head not only
escaped the specific prohibition of section 19 but also operated to override the
general prohibition of section 11, so also, I think, must the former head.
Correspondingly, under the Act of 1938, as section 12(2) plainly escapes the
25 specific prohibition of section 12(1), so also must it operate to override the
general prohibition of section 11. That plainly appears to have been the view of
Danckwerts J in relation to the Act of 1938 (see *Spillers Limited's Application*
(1952) 69 RPC 327 at 337), and accordingly, despite the verbal contrast in the
consolidation Act between section 11 and section 12(1), I do not think that this
30 has changed the law. The specific case envisaged by section 12(2) accordingly
permits registration, despite the general prohibition of section 11".

Having established my view as to the applicability of Section 12(2) it was accepted by both sides
that the matters for consideration under that Section were laid down by Lord Tomlin in *Pirie's*
Trade Mark (1933) 50 RPC 147 at 159. They are:-

- 35
- i. The extent of use in time and quantity and the area of trade.
 - ii. The degree of confusion likely to ensue from the resemblance of the marks, which
is, to a large extent, indicative of the measure of public inconvenience.
 - 40 iii. The honesty of the concurrent use.
 - iv. Whether any instances of confusion have been proved.
 - 45 v. The relative inconvenience which would be caused if the mark in suit was
registered, subject if necessary to any conditions and limitations.

At the relevant date the extent of the applicants' use of the trade mark GLENEAGLES was, in my view, substantial. It had been used since 1983 up until the date of application by two of the applicants' subsidiaries Moffat Woollens Ltd and Glenmuir Ltd. The goods sold under the trade mark at that time would appear to have been sold nationally and therefore the trade mark would have become known to a large number of people. The applicants most recent and intended use is on woollen jumpers, sweaters and pullovers. And as indicated earlier in this decision I consider that the amount of sales achieved (over £10,000,000), to be substantial also.

At the relevant date there is no evidence of any confusion but clearly the potential for confusion arises because the respective trade marks are identical. However, as I have already held, I think that much of the opponents' use of the term GLENEAGLES was not trade mark use and therefore it is not surprising that confusion as to origin of the goods appears not to have occurred on any great scale. As to the future, it would appear that the applicants have used the trade mark GLENEAGLES in association with another trade mark (i.e. the Glenmuir housemark) and therefore there is a factor which is likely to alleviate the possibility of confusion arising.

Insofar as the honesty of the concurrent use is concerned, the opponents claim that Mr Hughes knew of the Gleneagles Hotel and golf course and that it sold merchandise through its golf shop under the GLENEAGLES trade mark and thus the trade mark was not honestly coined. Under cross-examination Mr Hughes stated that he and his company had adopted the word GLENEAGLES as a trade mark in 1983 because it was a good Scottish sounding word suitable for use on knitted garments. In addition, he had a holiday cottage in the area and therefore he had an association with the location. Insofar as the hotel was concerned, he stated that at that time it was a run down British Transport hotel which no one would seek to have any association with, notwithstanding the fact that there were international and national golf tournaments taking place on the adjacent golf course. In the circumstances, I have no reason to doubt, and no evidence has been placed before me to indicate otherwise, that this trade mark was not honestly coined for the reasons given by Mr Hughes. The fact that the trade mark GLENEAGLES has been used by the applicant for sweaters and pullovers and marketed specifically at golfers, does not, I believe, render either the coining of the trade mark or its use dishonest.

Much has been made by the opponents of the merchandising connection with the golf course and Hotel. However, the applicants first started to use this trade mark in 1983, some considerable time before the Hotel and golf course, on the advice of its representatives, considered entering the merchandising field. In the circumstances, they should not expect their later efforts to merchandise (and acquire other trade marks for relevant goods for this purpose) as a reason to detract from the honesty and veracity of another commercial organisation who are using the same trade mark and have done so commercially for a considerable period before themselves.

Finally, I need to consider the relative inconvenience which would be caused if the trade mark in suit was registered. The applicants argue that from their point of view the trade mark in question represented a very significant proportion of their turnover and therefore it is both just and fair that they should be allowed registration of the trade mark. In contrast, the opponents have secured registrations for a number of trade marks around its real business, that of running a Hotel and golf courses and no real inconvenience arises in permitting the applicants to register their trade mark which it has used since 1983. The applicants in their submissions referred to GRANADA trade mark [1979] RPC 303 at 311, line 18 where the Assistant Registrar thought that it was "plainly

relevant whether or not any steps have been taken by the proprietor to prevent what must, prima facie, in all cases arising under that subsection, be an infringing use". I am not prepared to accept that argument in this particular case where there may have been factors associated with the opposition to this application for registration (and perhaps negotiations between the parties) which precluded the need for infringement action on their part.

The opponents rightly state that the applicants must first of all prove honest concurrent use and then the Registrar must exercise his discretion in favour of the applicant. They argue that, on the balance of convenience, it would be unfair to exercise that discretion in favour of the applicant because the public should be protected from concurrent registrations of identical marks, at all events in the absence of special circumstances (Kerly para 10-17).

Having weighed these submissions up I consider that the opponents will suffer little inconvenience if this application for registration proceeds, whilst the applicants would be substantially inconvenienced if it did not. The opponents will still be able to trade in goods marked GLENEAGLES through their merchandising operation based at the Hotel and golf courses. If registration was refused the applicant would no longer be able to continue using the trade mark. As they were the first to use that trade mark in a commercial sense that would be unfair.

In the light of my decisions above, and for the reasons given, it appears to me that the applicants are entitled to the benefits of Section 12(2) of the Act. It follows that the opponents' success under Section 12(1) is of no benefit to them and that by coming within the provisions of Section 12(2) of the Act, the applicants are entitled to their registration, but for a specification limited to woolen jumpers, sweaters and pullovers. Within two months of the end of the appeal period in respect of this decision the applicants must file a form TM21 to limit their specification of goods accordingly. If they do not so do the application for registration will be refused.

In view of the above decisions I see no need for any further exercise of the Registrar's discretion.

As the applicants have been successful in these proceedings they are entitled to a contribution to their costs. I therefore order the opponents to pay to the applicants the sum of £635. If no TM21 is filed and the application is refused the applicants should pay to the opponents the sum of £835.

Dated this 21 day of January 1999.

M KNIGHT
Principal Hearing Officer
for the Registrar
the Comptroller General

Annex A

Number: 663309
Date: 15 October 1947
Mark: Gleneagles (Label)
Class: 25
Goods: Rainproof, waterproof and showerproof coats.
Journal: 3759, 372

Number: 1220351
Date: 8 June 1984
Mark: GLENEAGLES
Class: 25
Goods: Knitted articles of outerclothing, and articles of outerclothing made from knitted materials
Journal: 5611,748

Number: 1329578
Date: 12 December 1987
Mark: GLENEAGLES
Class: 25
Goods: Rainproof, waterproof and showerproof coats; all included in Class 25.
Journal: 5776,2469

Number: 1406026
Date: 21 November 1989
Mark: KING'S COURSE GLENEAGLES
Class: 25
Goods: Articles of outerclothing, none being knitted; rainproof, waterproof and showerproof clothing; all included in Class 25; but not including footwear.
Journal: 5880,3946

Number: 1406027
Date: 21 November 1989
Mark: THE GLENEAGLES COLLECTION
Class: 25
Goods: Rainproof, waterproof and showerproof coats; all included in Class 25.
Journal: 5895,6077

Number: 1468665
Date: 25 June 1991
Mark: GLENEAGLES
Class: 25
Goods: Articles of outerclothing and headgear; all included in Class 25; but not including footwear.
Journal: 5946,7681