O/235/20

TRADE MARKS ACT 1994
IN THE MATTER OF TRADE MARK APPLICATION NO 3278804 HH HOTELS
BY MANHATTAN LOFT CORPORATION LIMITED
IN CLASS 43
AND OPPOSITION THERETO NO. 412679
BY NH HOTEL GROUP S.A.

DECISION

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1. This is an appeal brought by the Applicant/Appellant, Manhattan Loft Corporation Limited ("Manhattan"), against decision O-550-19 dated 19 September 2019. In that Decision the Hearing Officer, Judi Pike, upheld the opposition under s.5(2)(b) Trade Marks Act 1994. The Opponent/Respondent was NH Hotel Group S.A. ("NH").

2. Manhattan's application is for the mark HH HOTELS in Class 43.

3. NH's pre-existing registration relied on by the Hearing Officer in her decision was EU TM no. 12230199, also in class 43:

4. The Opponent also pleaded reliance on two other marks below, but it was not in dispute before me that the matter could be adjudged solely on the basis of the mark set out above. This mark had not been registered for five years or more at the publication date of the Applicant's mark, so was not subject to the proof of use requirements.

5. Before the Hearing Officer the Opponent filed a witness statement from its CEO, Mr Marin. Both parties then filed written submissions in lieu of a hearing.

6. Before me the Applicant/Appellant was represented by Mark Caddle of Withers and Rogers LLP. The Opponent/Respondent was represented by Taryn Byrne of Page, White & Farrer Limited. The hearing took place by video link on 3rd April 2020. The Opponent/Respondent had filed a Respondent's Notice saying that the Hearing Officer was right for the reasons she gave alternatively arguing that the Hearing Officer should have allowed the opposition for further reasons. However, the Opponent/Respondent did not file a skeleton argument for the hearing and notified me in advance that it would be attending the hearing in an observatory capacity only (although I did invite her to make brief comments). For these reasons whilst I have considered the contents of the Respondent's Notice insofar as they deal with the arguments of the Appellant, I do not deal with the additional arguments which I treat as not pursued.

STANDARD OF APPEAL

7. There was no dispute as to this and I refer to the principles set out in the decision of Daniel Alexander QC, sitting as the Appointed Person, in *TT Education Ltd v Pie Corbett Consultancy* [2017] RPC 17 at [52].

8. I also refer to Lord Hodge in *Actavis Group PTC v ICOS Corporation* [2019] UKSC 1671 at [78]-[81] and particularly [80]:

> "80. What is a question of principle in this context? An error of principle is not confined to an error as to the law but extends to certain types of error in the application of a legal standard to the facts in an evaluation of those facts. What is the nature of such an evaluative error? In this case we are not concerned with any challenge to the trial judge's conclusions of primary fact but with the correctness of the judge's evaluation of the facts which he has found, in which he weighs a number of different factors against each other. This evaluative process is often a matter of degree upon which different judges can legitimately differ and an appellate court ought not to interfere unless it is satisfied that the judge's conclusion is outside the bounds within which reasonable disagreement is possible: Assicurazioni Generali SpA v Arab Insurance Group (Practice Note) [2002] EWCA Civ 1642; [2003] 1 WLR 577, paras 14- 17 per Clarke LJ, a statement which the House of Lords approved in Datec Electronic Holdings Ltd v United Parcels Service Ltd [2007] UKHL 23; [2007] 1 WLR 1325, para 46 per Lord Mance."

9. To this can be added the guidance set out in the decision of Ian Purvis QC, sitting as the Appointed Person in ROCHESTER Trade Mark (O-079-17), where he stated:

> 33. I fear that far too much ink has been already spilled by Appellate Courts on these issues with diminishing returns, and I therefore do not propose to say a great deal more. So far as the particular context of this appeal is concerned, I would simply add that the reluctance of the Appointed Person to interfere with a decision of a Hearing Officer on likelihood of confusion is quite high for at least the following reasons:
>
> (i) The decision involves the consideration of a large number of factors, whose relative weight is not laid down by law but is a matter of judgment for the tribunal on the particular facts of each case
>
> (ii) The legal test 'likely to cause confusion amongst the average consumer' is inherently imprecise, not least because the average consumer is not a real person
>
> (iii) The Hearing Officer is an experienced and well-trained tribunal, who deals with far more cases on a day-to-day basis than the Appellate tribunal
>
> (iv) The legal test involves a prediction as to how the public might react to the presence of two trade marks in ordinary use in trade. Any wise person who has practised in this field will have come to recognize that it is often very difficult to make such a prediction with confidence. Jacob J (as he then was) made this point in the passing off case *Neutrogena v Golden* [1996] RPC 473 at 482:
>
> > 'It was certainly my experience in practice that my own view as to the likelihood of deception was not always reliable. As I grew more experienced I said more and more "it depends on the evidence."'
>
> Any sensible Appellate tribunal will therefore apply a healthy degree of self-doubt to its own opinion on the result of the legal test in any particular case.
>
> 34. I shall therefore approach this appeal on the basis that in the absence of a distinct and material error of principle, I ought not to interfere with the decision of the Hearing Officer

> unless I consider that his view on the issue of likelihood of confusion was clearly wrong in the sense that it was outside the range of views which could have been reasonably taken on the established facts."

10. In order to allow the appeal I must therefore be satisfied that there was an error of law or that the decision is outside the bounds within which reasonable disagreement is possible.

THE FINDINGS OF THE HEARING OFFICER

11. There is no dispute with the Hearing Officer's summary of the law which recited the familiar cases and principles relevant to the assessment of s.5(2)(b).

12. The first task to which the Hearing Officer turned was to compare the services for the mark applied for and the earlier mark. There is no dispute as to this. The Hearing Officer determined that the services were identical (*services for providing food and drink, services providing temporary accommodation, hotel services*) or highly similar (*information and advisory services relating to all the aforementioned services*).

13. The next topic dealt with by the Hearing Officer was to identify the average consumer and purchasing process. She identified this as follows (emphasis added):

> 14. … The parties' services are all aimed at the general public. They will be primarily visual purchases, e.g. after consulting websites and holiday brochures, promotional material, signage and menus, although I bear in mind that there may also be aural perception of the marks if they are the subject of oral recommendation. There is likely to be a reasonable level of attention during purchase of accommodation, as consumers are choosing somewhere to stay which meets their particular needs. In relation to food and drink services, the degree of care will be medium; regard may be paid to dietary preferences and food intolerances, whilst the services covered are varied, ranging from a quick cup of tea in a café to dining in a restaurant to celebrate an occasion.

14. There is no challenge to this assessment on appeal.

15. The focus of the appeal was on the Hearing Officer's comparison of the marks. In relation to the Opponent's mark, the Hearing Officer held at §19 that it was "*dominated by the letters "nH", partly because HOTELS will be seen as a descriptive element, and partly because the letters 'nH' are larger and more prominent within the mark as a whole.*"

16. As for the Applicant's mark, she noted that it also contained two letters and the word HOTELS. She continued *"[t]he two letters, HH, appear at the front of the mark, but are no larger and are shorter in length than HOTELS. The two elements of the applicant's mark contribute a roughly equal weight to the overall impression of the mark*."

17. Overall on similarity, she held:

> 20. There is a medium level of visual similarity between the marks. They both contain the word HOTELS. They also both contain, and start with, two letters, the second of which is the same letter: H. In pronunciation, the letters would be articulated separately. The marks are aurally similar to a medium degree, the only difference being the initial letter.

> 21. The marks are conceptually similar to a medium degree. They both contain the concept of hotels. The two letters have no concept, other than perhaps to be perceived as the initials of someone or something. Overall, the marks are similar to a medium degree.

18. As for distinctive character, the Hearing Officer held at §23 that the Opponent's mark had a medium degree of inherent distinctive character. She then assessed the evidence of Mr Marin and held that it was insufficient to demonstrate any enhancement through use.

19. Finally the Hearing Officer assessed the likelihood of confusion and held as follows:

> 29. The applicant refers to the stylisation of the letters in the opponent's mark. I do not find this to be a persuasive argument. The stylisation is unremarkable, and notional and fair use covers use of word marks in both upper and lower case. It would be fair and notional use for the applicant to use the letters HH in lower case, or a combination, and for the opponent to do likewise[footnote omitted]. The colour blue is also not a differentiating factor because notional and fair use of the applicant's mark would include use in blue[footnote omitted]. Notwithstanding these points, in my view there is a likelihood of confusion on the basis of imperfect recollection. Although the word HOTELS is descriptive of the services, it is an element common to both marks, which must be considered as wholes. The only other element in the marks is the two-letter component, which appears at the start of the marks. The second letter of each of these components is identical. Whilst I appreciate that a difference of one letter might make enough of a difference in some circumstances, in the present case I do not think it is enough to mitigate the likelihood that the marks will be imperfectly recalled. There is no conceptual hook for the average consumer to recall, who will have to rely upon the imperfect picture retained in their mind, which will be a two-letter mark, one letter of which is the letter H, and the word HOTELS. Since the services are identical, the interdependency of these factors will combine to cause a likelihood of confusion. The level of attention during purchase is not of a sufficiently high level to offset the likelihood that the marks will be imperfectly recalled and therefore confused.

THE APPEAL

20. Before me the Appellant focussed on four grounds of appeal. Nothing turned on the final ground because, as I have recorded above, it was not in dispute that the matter could be resolved by reference to only one of the Opponent's marks. Threaded together, the first three grounds amounted to an attack on the Hearing Officer's comparison of the marks, which it is said resulted in her coming to the wrong conclusion of likelihood of confusion. I shall deal with them in turn.

21. The first ground of appeal focussed on what was said to be an erroneous assessment of the dominant element of the mark applied for. This was dealt with by the Hearing Officer in §§19 and 23 of the decision, summarised above. The Appellant submitted that the Hearing Officer had placed undue emphasis on the capability of the word HOTELS to play a part in the assessment of the marks and should have focussed instead on the HH and nH elements only. It was also suggested that the Hearing Officer had been inconsistent in her approach. This was because she had in one part of her decision observed that the word HOTELS is descriptive of the services (§23), yet in another part held that the two elements of the mark contributed a roughly equal weight to its overall impression (§19).

22. I do not detect any error of approach here. It is well established that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. On this basis the Hearing Officer was entitled to find as part of her assessment of the visual impact of the mark that it contained two elements which contribute roughly equal weight. Indeed it would have been wrong of her to have ignored the HOTELS part of the mark applied for. She was also entitled to determine when it came to her analysis of a different point, distinctiveness, that this would be contributed to most by the two letter combination because HOTELS was descriptive of the services to which both marks were being applied. There was no inconsistency in these two separate observations. I therefore dismiss the first ground.

23. The second ground of appeal followed from the first, namely that having wrongly assessed the marks and in particular the dominant component, the Hearing Officer erred in concluding in §§20-21 that they were similar to a medium degree visually, aurally and conceptually.

24. Again, I consider that the Hearing Officer did not fall into error. Having correctly analysed the marks as a whole, including the HOTELS element, she was plainly entitled to find that HH HOTELS and nH HOTELS were similar to the degree she did.

25. Although the Appellant correctly pointed out the differences in the first letters of the marks, the remainder of the marks comprise the same letter, H, and the word HOTELS. Even though the initial letter would be seen first, there is insufficient degree of difference between the marks as a whole to justify interference with the Hearing Officer's conclusion as to the degree of similarity.

26. The Appellant cited Case T-241/16 *El Corte Inglés, SA v EUIPO* in support of the submission that the Hearing Officer ought to have found that HH and nH were sufficiently different. In that case, the General Court (Seventh Chamber) the found that the following marks:

EW and WE

possessed a low degree of visual and phonetic similarity, as well as being either conceptually neutral (to non-English speakers) or not similar (to English speakers).

27. That case cannot help the Appellant. The conclusions do not amount to a finding of law and it is well-established that attempts to compare the facts of different cases rarely assist. Moreover, the marks in the present case both also include the additional and identical HOTELS element, which the Hearing Officer was correct to include in her assessment of similarity. For all these reasons I reject the second ground of appeal too.

28. The third and final substantive ground of appeal was founded on the first two. The Appellant submitted that the Hearing Officer had erred in her assessment of the likelihood of confusion because she had failed to recognise the HH element of the mark applied for as the dominant component and had made incorrect findings as to the degree of visual, aural and conceptual similarity.

29. It will be apparent from my earlier conclusions that I find no basis for error in the Hearing Officer's assessment of the marks. For that reason alone the third ground cannot succeed. Nevertheless I have endeavoured to stand back and reconsider the Hearing Officer's overall conclusion in §29 of the decision – bearing in mind the observations of Mr Purvis QC in ROCHESTER referred to above.

30. The Appellant submitted that the Hearing Officer had failed to appreciate that minor differences between marks can be sufficient to distinguish them when the marks are short (i.e. ignoring the HOTELS element) and that she had placed undue weight on the degree of conceptual similarity.

31. Standing back, I continue to find no error on the part of the Hearing Officer. She was right to assess the marks as a whole – even though the word HOTELS may be descriptive of the services it still plays a role in the aural and visual comparison of the marks. There was therefore no contradiction between her conclusions in §19 and 29 of the decision.

32. The Hearing Officer nevertheless went on to focus on the differences in initial letter. She was plainly aware that a difference in one letter may be sufficient in some cases, but she was entitled to find that it did not in the present case. The Hearing Officer was also correct to observe that the absence of a conceptual hook increased the likelihood of imperfect recollection and subsequent confusion, particularly bearing in mind the types of services being offered by the respective parties.

33. I therefore find no error of principle on the part of the Hearing Officer. Nor do I think she was wrong in the sense that her conclusion was outside the range of views which could have been reasonably taken on the established facts. On the contrary, her conclusion appears entirely reasonable based on all the circumstances of this case.

Conclusion

34. For the reasons given above I dismiss the appeal.

Costs

35. The appeal has failed and in the usual way costs should follow the event.

36. Taking into account the limited steps taken by the Opponent/Respondent on this appeal, and referred to above, I assess the costs of this appeal payable by the Appellant/Applicant to be £500.

37. This should be added to the sum of £600 already ordered by the Hearing Officer, all of which should be paid within 21 days of the date of this decision.

Thomas Mitcheson QC
The Appointed Person
14 April 2020