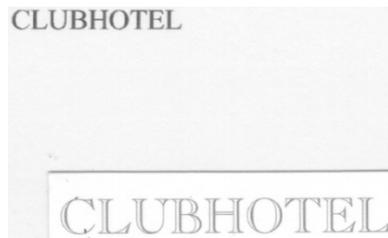


O-295-16

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK REGISTRATION 2300578
IN THE NAME OF
HOSPITALITY MARKETING CONCEPTS (HOLDINGS) LIMITED
OF THE FOLLOWING SERIES OF TWO MARKS IN CLASSES 16, 35 & 43:**



AND

**AN APPLICATION FOR REVOCATION (NO. 500831) BY
HOTELCLUB PTY LIMITED**

Background and pleadings

1. The trade mark registration the subject of this dispute was filed by Hospitality Marketing Concepts (Holdings) Limited (“the Holder”) on 15 May 2002, was published for opposition purposes on 28 August 2002, and was registered on 13 December 2002. The image on the cover page of this decision is taken from the IPO’s database, but as the registration is for a series of marks, it is useful to record them separately, as:

i) The plain word mark: **CLUBHOTEL**

ii) The stylised word mark: CLUBHOTEL

The marks are registered for the following goods and services:

Class 16: Printed matter; directories, guides and handbooks; maps, stationery, membership cards.

Class 35: Advertising; assistance and consultancy in connection with business management and business administration; office services; business research; business management of hotels.

Class 43: Hotel services; provision, arrangement and reservation of temporary accommodation; booking services for hotels and restaurants; catering and restaurant services; professional consultancy services relating to hotels; provision, arrangement and reservation of hotel venues; travel agency services for provision, arrangement and reservation of hotel accommodation.

2. HotelClub Pty Limited (“the Applicant”) seeks revocation of the registration on the grounds of non-use. It alleges non-use in four periods:

- i) Under section 46(1)(a) of the Trade Marks Act 1994 (“the Act) in the five year period following registration, the period consequently being 14 December 2002 to 13 December 2007.
- ii) Under section 46(1)(b) of the Act in the period 14 December 2007 to 13 December 2012.
- iii) Under section 46(1)(b) of the Act in the period 11 November 2008 to 10 November 2013.
- iv) Under section 46(1)(b) of the Act in the period 19 September 2008 to 18 September 2013.

3. The Holder filed a counterstatement defending its registration. Its defence is predicated upon a claim that: “[t]he Registration has been and is being used in relation to all the goods and services for which the Registration is protected”. No claim is made to there being any proper reasons for non-use.

4. Both sides are legally represented, the Holder by WurtenbergerKunze, the Applicant by Boulton Wade Tennant. The Holder filed evidence, the Applicant filed written submissions. Neither side asked to be heard, both filing written submissions instead.

The legislation and leading cases

5. Section 46(1) of the Act states that:

“The registration of a trade mark may be revoked on any of the following grounds-

(a) that within the period of five years following the date of completion of the registration procedure it has not been put to genuine use in the United Kingdom, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of five years, and there are no proper reasons for non-use;

(c).....
.....

(d).....

(2) For the purpose of subsection (1) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(3) The registration of a trade mark shall not be revoked on the ground mentioned in subsection (1)(a) or (b) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the five year period and before the application for revocation is made: Provided that, any such commencement or resumption of use after the expiry of the five year period but within the period of three months before the making of the application shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

(4) An application for revocation may be made by any person, and may be made to the registrar or to the court, except that –

(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

6) Where the registration of a trade mark is revoked to any extent, the rights of the proprietor shall be deemed to have ceased to that extent as from –

(a) the date of the application for revocation, or

(b) if the registrar or court is satisfied that the grounds for revocation existed at an earlier date, that date.”

6. Section 100 is also relevant, which reads:

“If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

7. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Anor*, [2016] EWHC 52, Arnold J. summarised the case-law on genuine use of trade marks:

“217. In *Stichting BDO v BDO Unibank Inc* [2013] EWHC 418 (Ch), [2013] FSR 35 I set out at [51] a helpful summary by Anna Carboni sitting as the Appointed Person in *SANT AMBROEUS Trade Mark* [2010] RPC 28 at [42] of the jurisprudence of the CJEU in Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159 and Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759 (to which I added references to Case C-416/04 P *Sunrider Corp v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237). I also referred at [52] to the judgment of the CJEU in Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], [2013] ETMR 16 on the question of the territorial extent of the use. Since then the CJEU has issued a reasoned Order in Case C-141/13 P *Reber Holding & Co KG v Office for Harmonisation in the Internal*

Market (Trade Marks and Designs) [EU:C:2014:2089] and that Order has been persuasively analysed by Professor Ruth Annand sitting as the Appointed Person in *SdS InvestCorp AG v Memory Opticians Ltd* (O/528/15).

[218] ...

219. I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversammlung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32].”

8. In *Reber Holding GmbH & Co. KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (OHIM), Case T-355/09, the General Court found that the sale of 40-60Kg per annum of specialist chocolate under a mark was insufficient to

constitute genuine use of a national trade mark, which was registered in Germany. On further appeal in Case C-141/13 P, the CJEU stated, at paragraph 32 of its judgment, that:

“not every proven commercial use may automatically be deemed to constitute genuine use of the trade mark in question”. (paragraph of the judgment).

The CJEU found that:

“the General Court conducted an overall assessment of that trade mark, taking into account the volume of sales of the goods protected by the trade mark, the nature and characteristics of those goods, the geographical coverage of the use of the trade mark, the advertising on the website of Paul Reber GmbH & Co. KG and the continuity of the trade mark’s use. It thus established a certain degree of interdependence between the factors capable of proving genuine use. The General Court therefore correctly applied the concept of ‘genuine use’ and did not err in law in its assessment of that use” (paragraph 34 of the judgment CJEU).

9. Proven use of a mark which fails to establish that “*the commercial exploitation of the mark is real*” because the use would not be “*viewed as warranted in the economic sector concerned to maintain or create a share in the [European Union] market for the goods or services protected by the mark*” is, therefore, not genuine use.

10. In terms of framing a fair specification where use has been made on just some of the goods/services in a specification, I note that in *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Mr Geoffrey Hobbs QC, as the Appointed Person, summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of

the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

11. In *Roger Maier and Another v ASOS*, [2015] EWCA Civ 220, Kitchen L.J. (with whom Underhill L.J. agreed) set out the approach for devising a fair specification where the mark has not been used for all the goods/services for which it is registered. He said:

“63. The task of the court is to arrive, in the end, at a fair specification and this in turn involves ascertaining how the average consumer would describe the goods or services in relation to which the mark has been used, and considering the purpose and intended use of those goods or services. This I understand to be the approach adopted by this court in the earlier cases of *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2002] EWCA Civ 1828, [2003] RPC 32; and in *West v Fuller Smith & Turner plc* [2003] EWCA Civ 48, [2003] FSR 44. To my mind a very helpful exposition was provided by Jacob J (as he then was) in *ANIMAL Trade Mark* [2003] EWHC 1589 (Ch); [2004] FSR 19. He said at paragraph [20]:

“... I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. ... Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods – are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to

the appropriate specification having regard to the use which has been made.”

64. Importantly, Jacob J there explained and I would respectfully agree that the court must form a value judgment as to the appropriate specification having regard to the use which has been made. But I would add that, in doing so, regard must also be had to the guidance given by the General Court in the later cases to which I have referred. Accordingly I believe the approach to be adopted is, in essence, a relatively simple one. The court must identify the goods or services in relation to which the mark has been used in the relevant period and consider how the average consumer would fairly describe them. In carrying out that exercise the court must have regard to the categories of goods or services for which the mark is registered and the extent to which those categories are described in general terms. If those categories are described in terms which are sufficiently broad so as to allow the identification within them of various sub-categories which are capable of being viewed independently then proof of use in relation to only one or more of those sub-categories will not constitute use of the mark in relation to all the other sub-categories.

65. It follows that protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider belong to the same group or category as those for which the mark has been used and which are not in substance different from them. But conversely, if the average consumer would consider that the goods or services for which the mark has been used form a series of coherent categories or sub-categories then the registration must be limited accordingly. In my judgment it also follows that a proprietor cannot derive any real assistance from the, at times, broad terminology of the Nice Classification or from the fact that he may have secured a registration for a wide range of goods or services which are described in general terms. To the contrary, the purpose of the provision is to ensure that protection is only afforded to marks

which have actually been used or, put another way, that marks are actually used for the goods or services for which they are registered.”

The Holder’s evidence

12. The Holder’s witness is Mr Marwan Ramadan, its Group Senior Vice President EMEA¹. He states that the marks were first used in 1998 and lists the goods and services for which the mark is registered as having been the subject of such use. He describes the Holder as:

“..the leading worldwide provider of outsourced marketing programmes for hotels and value-added travel and entertainment services to executives at small- and medium-sized businesses and professionals”.

13. Mr Ramadan states that the Holder has regional offices in Singapore, Dubai, London, Shanghai, Sydney and Newport Beach. He explains that CLUBHOTEL is a:

“..global network of 4 and 5 star hotels, providing common benefits and recognition to a worldwide membership base. My company’s hotel membership programs are sold for an annual fee and provide customers with an array of complementary and discounted hotel services, such as travel agency services, booking services, advertising services and assistance and consultancy services in connection with business management and business administration.”

14. The hotels in the program receive “incremental business from members” and a share of the membership fees generated. Exhibit MR1 contains website prints from the Holder’s website www.clubhotel.com. The stylised mark is used, as is the plain word. The text on the website recounts much of what Mr Ramadan describes. The benefits of membership include discounts on dining, beverages and room rates. On a “contact us” page, various email addresses are given including uk-memberservices@clubhotel.com. There are also pages from what appear to be the

¹ An acronym which, as far as I understand, means Europe, the Middle East and Africa.

opponent's corporate website which refer to it as specialising in outsourced marketing programs for hotels. Much of the information is about the Holder generally, however, there is mention of a service to: "give marketing access to over 450,000 international members through the CLUBHOTEL® network". There are also sections on CLUBHOTEL specifically which explain the features of the membership program, including having a personalised CLUBHOTEL membership card. None of these prints are archived to within a date within any of the relevant periods.

15. Mr Ramadan mentions the program benefits and states that the program is an advertising platform for the participating hotels. He adds that the opponent also offers consultancy and research services to its participating hotels based on its expertise in the travel section and in the marketing of hotels, however, he provides no further information about this.

16. It is stated that CLUBHOTEL has the largest variety of brands and independent properties around the world, presumably compared to other membership programs. Exhibit MR2 contains domain name information showing that clubhotel.com has been registered since 1997 and clubhotel.eu since 2006.

17. Exhibit MR3 contains various documents about the benefits that members and hoteliers receive from joining the program. I will not repeat the member benefits, although, I do note that one document lists the annual fee for membership as being \$150. In terms of hoteliers, much of the promotional material is aimed at highlighting the marketing benefits the hoteliers will receive, not just in terms of increased revenue, but also in terms of the ability to target customers. To illustrate the point, the following text appears:

"Without a well-targeted audience, marketing to national and international travellers is costly and ineffective. [The Holder] has the solution to help you reach this lucrative market.

CLUBHOTEL® is [the Holder's] proprietary global network and participation is by invitation only. ...

Local CLUBHOTEL® partners enjoy: Incremental rooms and F&B revenue from travelling CLUBHOTEL® members around the world; marketing access to [the Holder's] international membership base of nearly 1 million senior executives, professionals and business travellers today and growing; worldwide toll-free reservations and on-line booking support; worldwide customer service centres.

18. Some of the material is about the Holder generally, but other information relates specifically (as above) to CLUBHOTEL. Another example of the service it provides is through the use of something called CLUBCENTRAL (which is accessed via the web address crm.clubhotel.com/apps). This provides, for example, customer information and identification, business trend analysis, communication with potential customers via email or direct mail; mechanisms to track and measure the effectiveness of marketing.

19. Mr Ramadan states that as part of the program there are over 720 luxury hotels in 52 countries in more than 447 cities worldwide, including hotels in the UK. Exhibit MR4 contains an exemplary list of over 1000 UK members. The table shows when each person's membership expired – the expiration dates range from 2003 at the earliest to 15 February 2012 as the latest. It is explained that membership lasts for one year, so the first members would have joined in 2002. However, on this basis, at least in terms of the members shown in the list, the last person to join joined on 16 February 2011. Also in the same exhibit are archive web prints from the booking portal for CLUBHOTEL. They show a drop down menu from which the UK can be selected. The prints range from 2005-2012. Some other prints are provided which make specific mention of hotels in the UK.

20. According to Mr Ramadan, CLUBHOTEL has facilitated around 3000 bookings in UK hotels. A list is provided in Exhibit MR5 showing bookings between 2002 and 2014. Various reservation emails (from 2008 and 2009) are also provided in relation to UK hotels, some of which are from people located in the UK, and, also, emails requesting customer support (between 2008 and 2010) relating to UK hotels, some from UK members. One asks for information on a room tariff and whether the CLUBHOTEL discount has been applied because it is no cheaper than a general independent reservation service. Further booking details are also provided in Exhibit MR6.

21. Mr Ramadan provides the amount spent on promoting the goods/services. This was £780K in 2007, falling to £271k in 2010. There is nothing to explain what level of promotion occurred in the UK specifically.

22. It is explained that bookings take place by telephone as well as via the website, but there are no paper records of such transactions as they are simply added to an Oracle database, evidence from which has been provided. It is stated that CLUBHOTEL is used on the website, member brochures, guide books and membership cards. Exhibit MR8 contains documents such as traveller's guides, membership cards, and membership agreements etc., which show the stylised and plain word mark (the membership card uses just the stylised version).

23. The final exhibit to note is MR7. This contains what are described as exemplary contracts (they are headed as hotel marketing agreements) between the Holder and hoteliers in the UK. They detail the benefits that the hotel must provide to members and the royalty (10% of the room rate if booked through CLUBHOTEL) they must pay. It is stated that the hotel is only eligible if it has a Marketing Agreement with the Holder or an affiliated business. Reference is made to accessing the CLUBHOTEL database and reference is made to mailers, annual directories, mass emails etc.

The Applicant's submissions

24. After making some general points about the law, the applicant comments upon the material provided by Mr Ramadan. In summary, the comments are as follows:

- That Exhibits MR1 (website extracts), MR2 (domain name registrations) and MR3 (information about the programme) are not sufficient to amount to genuine use without evidence of the actual transactions of the membership program.
- In respect of Exhibit MR4 (the exemplary list of members and prints of the booking portal), criticisms include that there is no indication that the list relates to CLUBHOTEL, there are no relevant dates of membership, nothing to show that they are genuine and, further, it is unclear what proportion of the

specification relates to this evidence. In relation to the booking portal, the applicant puts the Holder to proof that they are from valid sources and requests clarification as to the validity of the extracts.

- In respect of Exhibit MR5 (the list of bookings/reservations, the email reservations and the customer service emails) criticisms include that there is nothing to show how the list was generated and that verification is required of the source of the emails and their authenticity. In relation to the customer service emails, evidence of actual proof of booking is required to support genuine use.
- Exhibit MR6 (further booking evidence) is criticised because the actual reservations are not detailed. It requests clarification as to how the reservation list reflects the actual bookings that took place. It is also observed that the majority were not made in the UK and/or where such bookings were made from is not clear.
- Paragraph 12 of the witness statement (the promotional figures) is criticised as the source of the financial figures is not provided nor how they relate to the actual use made. It is observed that it is not clear how the figures would relate to the goods/services of the registration.
- In respect of the evidence about the Oracle database and the absence of certain telephone transactions, the Applicant requests verification that the transactions and data relate to the use of the registered mark.
- Exhibit MR7 (the contracts with hoteliers) is criticised as they do not cover all the relevant periods, there is, for example, nothing prior to 2007.
- Exhibit MR8 (the printed material) is criticised as being just mere information and does not indicate the time of use. It is stated that in the absence of dates and actual membership transactions, this does not constitute genuine use.

25. The submissions are concluded with general criticisms including that: the evidence does not go to all the goods/services, that even for hotel booking services the evidence is insufficient to prove genuine use, there is no evidence of commercial

transactions, that much of the evidence lacks dates and there is no evidence of transactions, that some of the evidence relates to goods/services not covered by the registration, that there is no evidence to establish the extent of use in the UK.

The Holder's reply evidence

26. Mr Ramadan filed a further witness statement (together with exhibits) in response to the Applicant's submissions. I will summarise this evidence by reference to the exhibits that are appended:

- Exhibit MR9 contains printed material (guides, membership cards etc.) similar to Exhibit MR8. Mr Ramadan highlights that the membership card is dated 04/09 so it was issued in 2009. It does not show whether the card holder is from the UK.
- Exhibit MR10 contains more booking portal prints from 2007, 2008, 2010 and 2013. However, the drop down list does not show the available countries. One does refer to a UK hotel in the body of the booking page.
- Exhibit MR11 contains various press releases from the Holder's website. One press release, from 2009, refers to the Red Carnation hotel group being in the CLUBHOTEL program, a group which has a hotel in the UK.
- Exhibit MR12 contains further booking data which Mr Ramadan states was compiled from documents gathered from the Holders booking database. The bookings are for European countries including the UK and runs from 2010 to 2014.
- Exhibit MR13 contains a large number of booking reservation emails, many of which record a payment card being billed. They range in date from 2005 to 2008 and relate to the UK.
- Exhibit 14 is similar but shows some bookings made for hotels in the UK.

Assessment of genuine use

27. In written submissions, both sides have referred to a recent decision of the Cancellation Division of the EUIPO. The proceedings were between the same parties and relate to the same mark at Community level. The mark was revoked by way of that decision. The applicant relies on the decision for its outcome. The Holder, despite its mark being revoked, submits that the Cancellation Division found that use had been made but that it was not made in relation to the goods and services as registered, a decision which was based largely on an exclusion that had been added to the specifications (to allow a distinctiveness objection to be overcome at the examination stage) in classes 9, 16 and 42 reading:

“...but not including any such goods/services for use in connection with a hotel which is directly or indirectly owned, controlled or managed by the proprietor of the scheme, and not including any goods/services for use in connection with a hotel which is a member of a club of association of hotels”

28. I also note that the specification decided upon by the Cancellation Division did not extend to class 35 and, in terms of class 41, extended only to the booking of theatres. Put simply, I do not consider that the decision of the Cancellation Division is persuasive either way. The decision to revoke was based upon an exclusion that is not relevant in these proceedings, nor does the decision fully ventilate the issues before me. In any event, a decision of the Cancellation Division is limited in persuasive value to begin with.

29. As I will say shortly (and in more detail), it is clear that the Holder has used (I will come to whether it is genuine use) the mark CLUBHOTEL in relation to something. However, it is also clear that one of the important questions in these proceedings relates to the goods and services for which the subject mark is registered and whether the use which has been made is reflected in those specifications. In its written submissions the Holder stated that it would be artificial to carve up the specifications because they are linked to each other. I disagree. The Holder accepts in its written submissions that one of the important issues in determining whether genuine use has been made is to consider whether such use is consistent with the essential

distinguishing function. It is quite possible that the marks perform the essential distinguishing function for some of the goods/services, but not others. I intend to go through the specifications class by class, making my assessment. I will focus on the most recent period of alleged non-use (11 November 2008 to 10 November 2013) as even if there has been no use in the earlier periods, use in the later period will save the registration given the provisions of section 46(3) of the Act.

Class 43: Hotel services; provision, arrangement and reservation of temporary accommodation; booking services for hotels and restaurants; catering and restaurant services; professional consultancy services relating to hotels; provision, arrangement and reservation of hotel venues; travel agency services for provision, arrangement and reservation of hotel accommodation.

30. The Holder provides, as part of its CLUBHOTEL membership programme, a portal for the booking of hotels which form part of its network. The portal can, presumably, only be used by members of the programme. This is clearly one of the key aspects of the membership programme as it will give members access to the reduced room tariff. The Holder does not, though, offer a hotel service itself, but merely its booking. I think it clear from the evidence that the proprietor is not responsible for the hotel service itself. Therefore, I find that no genuine use has been provided in relation to “hotel services”.

31. The applicant has criticised the Holder’s evidence on a number of fronts. I noted some of the criticisms earlier and further criticisms were made in its written submissions. Nevertheless, I accept that the Holder has offered its membership programme to customers in the UK for a number of years. The applicant has asked for verification of parts of the evidence. Whilst I accept that the Holder has not necessarily met all of the requests, I must still consider the evidence as a whole and determine what may be taken from it. The evidence the Holder has provided is sufficient in establishing that it had UK members of the programme within the latest of the relevant periods, evidenced, for example, by the member list (which goes through to 2012) and the various customer emails etc, some of which are from 2009. The whole purpose of being a member is to book hotels within the network. Thus, there is clear

potential for the existence of genuine use at least in relation to “booking services for hotels”.

32. I use the word “potential” because the question is whether genuine use is being made in relation to a booking service. To constitute genuine use, the use must be in accordance with the essential function of a trade mark, to guarantee the identity of the origin of the service from those of others. Whilst the booking service is offered as part of a membership programme, this does not lessen its capacity to perform the essential function in relation to a booking service. I hold that genuine use is established in relation to “booking services for hotels”. In terms of a fair specification, the term is fair as it stands. I have considered whether the specification should be limited in some way to reflect that the booking service it offers is as part of a membership programme, however, I consider that this would be pernicky.

33. In relation to the other services in the class 43 specification, my views are as follows:

- Hotel services: As stated above, the Holder does not operate or provide the hotel service itself. That it uses terms such as “network” to describe the hotels that a member can book does not mean that the essential function is being performed in respect of hotel services. Genuine use is not established.
- Provision, arrangement and reservation of temporary accommodation: The use that has been made is in relation to hotels not temporary accommodation and, then, only in relation to the reservation (booking) of hotels. The Holder certainly does not offer the “provision” of anything (as already discussed) and “arrangement” suggests something more than mere reservation for which there is no evidence. I will, therefore, allow the term “Reservation of hotels”.
- Booking services for ... restaurants: There is nothing to show that the booking portal (or the telephone equivalent) allows for the booking of a restaurant, even for the restaurants in the hotels which can be booked. Whilst one of the member benefits is that a reduction in price may be obtained, which, in turn, will require

the member to demonstrate his membership whilst in the hotel, this does not mean that a booking service is being offered. Genuine use is not established.

- Catering and restaurant services – There is no evidence to show that the Holder offers such services. As per my finding in relation to hotel services, genuine use is not established.
- Professional consultancy services relating to hotels: There is no evidence to show that members are able to avail itself of a professional consultancy service relating to hotels. There is no evidence that even for the hoteliers a consultancy service relating to hotels is provided. Genuine use is not established.
- Provision, arrangement and reservation of hotel venues: To the extent that these services relate to the use of a hotel as a venue for something, as opposed to booking a room, there is no evidence that any use has been made. If I am wrong on my interpretation of the nature of the service then it does not matter because I have already partially permitted the term in relation to hotels.
- Travel agency services for provision, arrangement and reservation of hotel accommodation: Whilst Mr Ramadan makes an assertion that related travel agency services are provided to its CLUBHOTEL members, there is no evidence about this. It is therefore not possible to verify whether genuine use has been made at all, and/or the nature of that use, in order to understand if it is use in accordance with the essential function. Given these flaws, I hold that genuine use is not established.

34. In view of my findings, the registration of the marks in class 43 should be revoked, save for the following: “Reservation of hotels; booking services for hotels”.

Class 16: Printed matter; directories, guides and handbooks; maps, stationery, membership cards.

35. The evidence supports that members of the CLUBHOTEL program receive a membership card. Whilst, again, I bear in mind the criticisms of the evidence, I am prepared to accept that UK members of CLUBHOTEL would have received such cards during the relevant period under discussion and that the membership cards would have depicted the CLUBHOTEL name, albeit just the stylised version. However, the question here is whether this equates to genuine use in the sense of whether the use of CLUBHOTEL on the face of a membership card is a form of use performing the essential function. Although the submission relates to the class 16 goods generally, the Applicant submits that no evidence of sales have been made. However, sales (for money), per se, are not of course a necessity.

36. The first point to bear in mind is that the Holder is not operating a business in the field of membership cards. It operates a membership programme for the booking of hotels by its members. The membership card is simply a way by which the member can demonstrate to a participating hotelier that he or she belongs to CLUBHOTEL. Whilst I accept that this form of use is not on a par with the rejected form of use in *Siberquelle* (distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter) and whilst I accept that in many cases goods and services which are ancillary to the core goods and services of a particular trader may still perform the essential function, in this case, my view is that the essential distinguishing function is not being performed. The trade mark CLUBHOTEL is not being used to distinguish the trade origin of the membership card from other traders in the membership card field. It is instead being used simply as a convenient message carrier to demonstrate membership in something. Whilst the mark may be used upon the membership card, it is not being used in relation to them (in accordance with the essential function of a trade mark), the use is still in relation to the membership programme.

37. There is no evidence in relation to maps and stationery. The only thing shown in the evidence that could fall within the ambit of any of the other terms in the Holder's class 16 specification is what it describes as travellers' guide. Having considered the

nature of this guide, it is not something that a person would avail themselves of to obtain travel information. It appears simply to be a guide sent to a member outlining the benefits of the programme, the booking procedure etc. Such use stands no better prospect for establishing genuine use than membership cards. It is rejected for the same reason. In any event, it is not even clear whether the guide is sent to every member and when such material was distributed because the evidence is lacking. Genuine use is not established.

38. In view of my findings, the class 16 specification is to be revoked in its entirety.

Class 35: Advertising; assistance and consultancy in connection with business management and business administration; office services; business research; business management of hotels.

39. In relation to “business management of hotels” there is no evidence to show that the Holder provides any form of management service. It may market the hotels by way of inclusion on the booking portal, but that, nor anything else I have seen, constitutes business management of hotels. Genuine use is not established.

40. The above finding applies to “office services”. Put simply, the Holder does nothing of this sort. Genuine use is not established.

41. In relation to “assistance and consultancy in connection with business management and business administration”, this, again, is not what the Holder is offering. It does not provide business administration let alone offer assistance or consultancy in respect of it. As I have said already, there is no evidence proving business management let alone assistance and consultancy in relation to business management. Genuine use is not established.

42. In relation to “business research”, whilst Mr Ramadan states that the opponent provides consultancy and research services to its participating hotels based on its expertise in the travel section and in the marketing of hotels, there is no evidence upon which to base as an assessment as to whether this entails market research let alone whether genuine use has been made in relation to such services. I noted earlier the

evidence about CLUBCENTRAL which, apparently, provides business trend analysis etc. Whilst this could be said to be business research, this is not only use under a different mark, but the evidence as to when this service was offered and how many hoteliers have used it is not set out, so meaning that genuine use cannot be held in any event. Genuine use is not established.

43. That leaves “advertising”. Whilst the opponent does not offer a traditional advertising agency service, advertising covers many more types of service than that. Although operated as a membership programme, the key feature, in terms of the hoteliers who use the opponent’s service and join the CLUBHOTEL programme, is to enable their hotels to be brought to the attention of the programme members. Mr Ramadan describes this as outsourced marketing. I consider this to be a form of advertising and the Holder’s marks (the word only and the stylised versions) are used in relation to it in a way in which the essential distinguishing function is being performed. In terms of a fair specification, I consider the limited nature of the service to mean that the specification should be cut down to reflect that the services are for hotel advertising. But, as per my finding in class 43, any further limitation would be pernicky. I consider a fair specification to read: “Advertising of hotels”.

Conclusion

44. The registration is revoked with effect from 14 December 2007, **except** in relation to:

Class 35: Advertising of hotels.

Class 43: Reservation of hotels; booking services for hotels.

Costs

45. Both sides have achieved a measure of success. In the circumstances, I do not intend to favour either party with an award of costs.

Dated this 16th day of June 2016

Oliver Morris

For the Registrar ,The Comptroller-General