

BLO/351/18

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3139659
BY RWH TRAVEL LIMITED FOR THE TRADE MARK**

CHAPTERS

IN CLASSES 36, 39, 41 AND 43

AND

**THE OPPOSITION THERETO UNDER NUMBER 406388
BY
NEW LIGHT HOTELS LIMITED**

Background

1. On 8 December 2015, Ramblers Holidays Limited filed trade mark application number 3139659, for the mark CHAPTERS, in respect of services in classes 36, 39, 41 and 43. Following a change of ownership, the application now stands in the name of RWH Travel Limited (“the applicant”). The list of services has been amended since the application was first made and now stands as follows:

Class 36: Travel insurance services; currency exchange services; discount card services; information and advisory services related to the aforesaid.

Class 39: Travel services; transport; packaging and storage of goods; travel arrangement; travel agency and tourist services; arranging of tours; tour operations; arranging of cruises; bus transport; air transport; railway transport; ferry boat transport, escorting of travellers; sightseeing; rental of boats, cars, aeroplanes; parking place rental; booking of seats for travel; travel reservation; transport reservation; holiday packages; information and advisory services related to the aforesaid.

Class 41: Providing information about entertainment activities, and making reservations and bookings for shows and other entertainment events; publication services; publication of brochures; electronic publications (non downloadable); publishing on-line newsletters in the fields of travel, travel planning, travel and entertainment news, maps, city directories and listings via electronic communication networks for use by travellers; providing information via a website where users can post ratings, reviews and recommendations on events and activities in the fields of entertainment; publishing of reviews; information and advisory services related to the aforesaid.

Class 43: Providing temporary accommodation; accommodation bureau services; providing and rental of holiday homes, holiday flats and apartments; providing room reservation and hotel reservation services; rental of meeting rooms; information and advisory services related to the aforesaid; all of the aforesaid provided in relation to holidays and excursions.

2. The application was accepted and published in the *Trade Marks Journal* for opposition purposes on 8 January 2016. New Light Hotels Limited (“the opponent”) opposes the application under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). For sections 5(2)(b) and 5(3), the opponent relies upon the following earlier trade mark registration:

EUTM 8468332

CHAPTER

Class 16: Printed matter; printed publications; magazines; newsletters; brochures; pamphlets; leaflets; printed advertising and promotional material; holiday brochures; stationery; writing instruments; travel guides in the form of printed matter.

Class 41: Education; providing of training; entertainment; sporting and cultural activities; amusement and recreational services; arranging and conducting of conferences, congresses, seminars, symposiums and workshops; booking of seats for shows, providing casino and gaming facilities and services; discotheque and nightclub services, cabarets, musicals and concert events; presentation of live performances; health and fitness club services; provision of sporting and leisure facilities; provision of hospitality services.

Class 43: Services for providing food and drink; temporary accommodation; hotel and motel services; restaurant, catering, cafeteria, canteen, cafe, bar and coffee shop services; reservation services; provision of conference and meeting facilities and amenities; provision of exhibition facilities; provision of banqueting facilities; reservation services for hotel accommodation and other accommodation; appraisal and grading of tourist accommodation; letting of and reservation of tourist accommodation; tourist agency and tourist office services for booking accommodation; providing facilities for conferences, congresses, seminars, symposiums and workshops.

Class 44: Hygienic and beauty care for human beings; health and beauty care services; health farm services (medical); spas; health spa services; hairdressing

salons; manicuring services; massage services; sauna services; physiotherapy services; solarium services.

Date of filing: 3 August 2009; completion of registration procedure: 31 January 2010.

3. The opponent claims that the marks are highly similar and that the parties' goods and services are identical and similar, leading to a likelihood of confusion under section 5(2)(b) of the Act.

4. For section 5(3) of the Act, the opponent claims that use of the applicant's mark would take unfair advantage of the distinctive character, and/or cause detriment to the distinctive character and repute of its mark. It also claims that the similarities between the marks will cause the relevant public to believe that they are either used by the same undertaking or that there is an economic connection between the users.

5. Under section 5(4)(a) of the Act, the opponent claims that use of the applicant's mark is liable to be prevented under the law of passing off, owing to its goodwill attached to the sign CHAPTER, which it claims to have used throughout the UK since November 2010, in respect of the same goods and services which are covered by its trade mark registration.

6. The applicant filed a defence and counterstatement, denying all the grounds and putting the opponent to proof of use of its earlier registered mark and the sign relied upon.

7. The opponent is professionally represented by Field Fisher LLP, whilst the applicant is professionally represented by Squire Patton Boggs (UK) LLP. The opponent filed evidence. Neither party chose to be heard and neither filed written submissions in lieu of a hearing.

Relevant dates

8. The opponent's earlier mark had been registered for more than five years on the date on which the contested application was published. It is, therefore, subject to the proof of use provisions under section 6A of the Act, and the applicant has requested such proof. The opponent has made a statement that it has made genuine use of all the goods and services for which its mark is registered. The relevant dates for these purposes is the five years prior to and ending on the date of publication of the contested application: 9 January 2011 to 8 January 2016. The relevant date for the purposes of sections 5(2)(b), 5(3) and 5(4)(a) is the date the application was filed: 8 December 2015.

Opponent's evidence

9. The opponent's evidence comes from Mr Joel McDonald, who is the opponent's trade mark attorney. His witness statement is dated 19 December 2017.

10. Mr McDonald's evidence is brief. He exhibits two types of evidence. The first comprises prints from the Wayback Machine, from the opponent's website. The second consists of copies of the opponent's accounts from the website of Companies House. In relation to the Wayback Machine prints, Mr McDonald's only commentary in his witness statement is:

“These show the Opponent's CHAPTER mark being used in respect of the goods and services covered by EUTM Registration No. 8468332 CHAPTER on which the opposition is based. The screen prints show the CHAPTER mark being used for the three years preceding 8 December 2015, being the date the opposed application was filed.

11. There are a total of 10 screen shots dating from 16 January 2013 to 28 September 2015. They all appear to be screenshots of the home page of the opponent's website. They are all very similar; typical examples are shown below:

20 July 2014



9 May 2015



12. In relation to the second part of his evidence, the opponent's company accounts, Mr McDonald states:

5. From the 2013 Full Accounts the Registry will see the Opponent's turnover in its Exeter based hotel, The Magdalen Chapter, was £3.4m, up from £1.4m in 2012 which was reduced figure due to major refurbishments to the hotel in 2012. The Opponent's turnover in its Cheltenham based hotel, the Montpellier Chapter, was £3.8m, up from £3.0m in 2012. From the 2014 Full Accounts the Registry will see that the turnover of The Magdalen Chapter Hotel increased by 6.6% from 2013 to 2014. Turnover of the Montpellier Chapter Hotel was down 10% from 2013 to 2014. This was largely due to a large number of one off events in 2013, but actual room occupancy rates increased by 1.4% from 2013 to 2014.

13. The 2014 accounts refer to the Avon Gorge Hotel in Bristol and the Seattle Hotel in Brighton. In contrast, the accounts specifically name the Exeter and Cheltenham hotels as The Magdalen Chapter and The Montpellier Chapter. These are the only two hotels referred to in the Wayback Machine results and by Mr McDonald in his witness statement.

14. I note that the accounts state that all turnover arose within the UK. The accounts also state that the whole of the turnover is attributable to trading as hotel and restaurant developers and operators.

15. The opponent provides no other facts about its mark.

Decision

16. 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 Bundervsvereinigung 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].”

17. The onus is on the opponent, as the proprietor of the earlier mark, to show use because Section 100 of the Act states:

“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.”

18. In *Awareness Limited v Plymouth City Council*, O/236/13 Mr Daniel Alexander QC, sitting as the Appointed Person, observed that:

“20. Providing evidence of use is not unduly difficult. If an undertaking is sitting on a registered trade mark, it is good practice in any event from time to time to review the material that it has to prove use of it.

...

The burden lies on the registered proprietor to prove use..... However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public.”

19. Bearing in mind these comments, and considering the broad range of goods and services in classes 16, 41, 43 and 44 for which the opponent has made a statement of use and is required to prove genuine use, it is surprising that a) the opponent’s evidence is so brief and b) that it is has been provided by the opponent’s attorney,

rather than by someone within the opponent who has first-hand knowledge of the details of its business.

20. An assessment of genuine use is a global assessment, which includes looking at the evidential picture as a whole, not whether each individual piece of evidence shows use by itself¹. In the present case, not only is the evidence brief, but it is also one-dimensional. Far from showing various types of evidence which one could put together to ascertain if they form a picture, the only evidence consists of screenshots of a website homepage and the opponent's company accounts from the Companies House website. There is next to nothing in the way of explanation, narrative or commentary in the witness statement. Indeed, I have reproduced the substance of the witness statement in paragraphs 10 and 12 of this decision.

21. The accounts state that all turnover arose within the UK. This is important in the context of the registration being a European trade mark registration (EUTM). In *Leno Merken BV v Hagelkruis Beheer BV*, Case C-149/11, the CJEU noted that:

“36. It should, however, be observed that..... the territorial scope of the use is not a separate condition for genuine use but one of the factors determining genuine use, which must be included in the overall analysis and examined at the same time as other such factors. In that regard, the phrase ‘in the Community’ is intended to define the geographical market serving as the reference point for all consideration of whether a Community trade mark has been put to genuine use.”

And

“50. Whilst there is admittedly some justification for thinking that a Community trade mark should – because it enjoys more extensive territorial protection than a national trade mark – be used in a larger area than the territory of a single Member State in order for the use to be regarded as ‘genuine use’, it cannot be ruled out that, in certain circumstances, the market for the goods or

¹ Case T-415/09, *New Yorker SHK Jeans GmbH & Co. KG v OHIM*, GC.

services for which a Community trade mark has been registered is in fact restricted to the territory of a single Member State. In such a case, use of the Community trade mark on that territory might satisfy the conditions both for genuine use of a Community trade mark and for genuine use of a national trade mark.”

And

“55. Since the assessment of whether the use of the trade mark is genuine is carried out by reference to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark serves to create or maintain market shares for the goods or services for which it was registered, it is impossible to determine a priori, and in the abstract, what territorial scope should be chosen in order to determine whether the use of the mark is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, by analogy, the order in *La Mer Technology*, paragraphs 25 and 27, and the judgment in *Sunrider v OHIM*, paragraphs 72 and 77).”

22. The court held that:

“Article 15(1) of Regulation No 207/2009 of 26 February 2009 on the Community trade mark must be interpreted as meaning that the territorial borders of the Member States should be disregarded in the assessment of whether a trade mark has been put to ‘genuine use in the Community’ within the meaning of that provision.

A Community trade mark is put to ‘genuine use’ within the meaning of Article 15(1) of Regulation No 207/2009 when it is used in accordance with its essential function and for the purpose of maintaining or creating market share within the European Community for the goods or services covered by it. It is for the referring court to assess whether the conditions are met in the main proceedings, taking account of all the relevant facts and circumstances,

including the characteristics of the market concerned, the nature of the goods or services protected by the trade mark and the territorial extent and the scale of the use as well as its frequency and regularity.”

23. In *London Taxi*, Arnold J. reviewed the case law since the *Leno* case and concluded as follows:

“228. Since the decision of the Court of Justice in *Leno* there have been a number of decisions of OHIM Boards of Appeal, the General Court and national courts with respect to the question of the geographical extent of the use required for genuine use in the Community. It does not seem to me that a clear picture has yet emerged as to how the broad principles laid down in *Leno* are to be applied. It is sufficient for present purposes to refer by way of illustration to two cases which I am aware have attracted comment.

229. In Case T-278/13 *Now Wireless Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* the General Court upheld at [47] the finding of the Board of Appeal that there had been genuine use of the contested mark in relation to the services in issues in London and the Thames Valley. On that basis, the General Court dismissed the applicant's challenge to the Board of Appeal's conclusion that there had been genuine use of the mark in the Community. At first blush, this appears to be a decision to the effect that use in rather less than the whole of one Member State is sufficient to constitute genuine use in the Community. On closer examination, however, it appears that the applicant's argument was not that use within London and the Thames Valley was not sufficient to constitute genuine use in the Community, but rather that the Board of Appeal was wrong to find that the mark had been used in those areas, and that it should have found that the mark had only been used in parts of London: see [42] and [54]-[58]. This stance may have been due to the fact that the applicant was based in Guildford, and thus a finding which still left open the possibility of conversion of the Community trade mark to a national trade mark may not have sufficed for its purposes.

230. In *The Sofa Workshop Ltd v Sofaworks Ltd* [2015] EWHC 1773 (IPEC), [2015] ETMR 37 at [25] His Honour Judge Hacon interpreted *Leno* as establishing that "genuine use in the Community will in general require use in more than one Member State" but "an exception to that general requirement arises where the market for the relevant goods or services is restricted to the territory of a single Member State". On this basis, he went on to hold at [33]-[40] that extensive use of the trade mark in the UK, and one sale in Denmark, was not sufficient to amount to genuine use in the Community. As I understand it, this decision is presently under appeal and it would therefore be inappropriate for me to comment on the merits of the decision. All I will say is that, while I find the thrust of Judge Hacon's analysis of *Leno* persuasive, I would not myself express the applicable principles in terms of a general rule and an exception to that general rule. Rather, I would prefer to say that the assessment is a multi-factorial one which includes the geographical extent of the use."

24. The GC restated its interpretation of *Leno Marken* in Case T-398/13, *TVR Automotive Ltd v OHIM* (see paragraph 57 of the judgment). This case concerned national (rather than local) use of what was then known as a Community trade mark (now a European Union trade mark). Consequently, in trade mark opposition and cancellation proceedings the registrar continues to entertain the possibility that use of an EUTM in an area of the Union corresponding to the territory of one Member State may be sufficient to constitute genuine use of an EUTM. This applies even where there are no special factors, such as the market for the goods/services being limited to that area of the Union.

25. Whether the use shown is sufficient for this purpose will depend on whether there has been real commercial exploitation of the EUTM, in the course of trade, sufficient to create or maintain a market for the goods/services at issue in the Union during the relevant 5 year period. In making this assessment, I am required to consider all relevant factors, including:

- i) The scale and frequency of the use shown
- ii) The nature of the use shown

- iii) The goods and services for which use has been shown
- iv) The nature of those goods/services and the market(s) for them
- (v) The geographical extent of the use shown

26. Neither party has provided me with submissions about any of these matters.

27. As noted in the evidence summary, the accounts refer to the Avon Gorge Hotel in Bristol and the Seattle Hotel in Brighton. This is in addition to The Magdalen Chapter Hotel, in Exeter, and The Montpellier Chapter Hotel, in Cheltenham. Whilst the latter two hotels are called 'Chapter' hotels and appear on the website homepages, the hotels in Bristol and Brighton are not called Chapter hotels and do not feature on the website homepages. As The Magdalen Chapter and The Montpellier Chapter are the only two hotels referred to in the Wayback Machine results and by Mr McDonald in his witness statement, I conclude that it is only these two hotels in relation to which 'Chapter' is used. Although 'Chapter' appears as part of the name of the two hotels, I note that it appears as CHAPTER HOTELS on the website homepages. This is use of the registered mark, as HOTELS is entirely descriptive.

28. The opponent's accounts show that the annual combined turnover in relation to the two Chapter hotels (Magdalen and Montpellier) was in excess of £7 million. The UK is a significant part of the EU market for hotel services. The opponent's use of CHAPTER in the UK during the relevant period is more than trivial. The use appears to have been stable and consistent. It is plainly trade mark use. The nature of the market and the internet presence indicates that the use was directed, geographically, at the whole of the UK market. Further, the two hotels are not located particularly near to one another; co-location might have indicated merely localised trade. Although the EU market at issue is not limited to or particularly concentrated in the UK, I find that the use of the earlier EUTM in the UK is sufficient to constitute genuine use of that mark in the EU.

29. The accounts state that the whole of the turnover is attributable to the opponent trading as an operator and developer of hotels and restaurants. There is no evidence of the mark in relation to restaurants. Further, I consider that the opponent

has gone nowhere near what would be required to show use in relation to the breadth of the goods and services for which it has made a statement of use.

30. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Mr Justice Carr summed up the law relating to partial revocation as follows:

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed

independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, 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 to 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; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46.”

31. There is no use in relation to class 16 goods. The opponent cannot rely upon the earlier mark in relation to the goods registered in class 16.

32. The only use shown is in relation to hotels. Some of the services covered by the opponent’s class 41, 43 and 44 specifications may be provided in hotels. However, the opponent has chosen not to show any evidence, or even provide a narrative, detailing what services are provided. For example, not all hotels provide restaurants or conference facilities, and the provision of reservation services to third parties, as opposed to the hotel making its own reservations, is something which requires evidence. It is not for me to second guess these matters. The most that can be surmised is that the mark is used in relation to the core activity of hotels, which is the provision of temporary accommodation.

33. Consequently, I find that the opponent may rely upon *temporary accommodation; hotel and motel services*.

Section 5(2)(b) of the Act

34. 5(2)(b) of the Act states:

“(2) A trade mark shall not be registered if because –

(a) ...

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected,

there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark.”

35. The following principles are gleaned from the decisions of the CJEU in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when

all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of services

36. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

37. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06, the General Court (“GC”) stated that “complementary” means:

“82 ... there is a close connection between [the goods], in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking...”.

38. Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“*Treat*”) [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

39. In *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. stated:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

40. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch) at [12] Floyd J said:

“... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the

observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IP TRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of 'dessert sauce' did not include jam, or because the ordinary and natural description of jam was not 'a dessert sauce'. Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question."

41. The services to be compared are shown in the table below.

Earlier mark	Application
<p><i>Class 43: Temporary accommodation; hotel and motel services.</i></p>	<p><i>Class 36: Travel insurance services; currency exchange services; discount card services; information and advisory services related to the aforesaid.</i></p> <p><i>Class 39: Travel services; transport; packaging and storage of goods; travel arrangement; travel agency and tourist services; arranging of tours; tour operations; arranging of cruises; bus transport; air transport; railway transport; ferry boat transport, escorting of travellers; sightseeing; rental of boats, cars, aeroplanes; parking place rental; booking of seats for travel; travel reservation; transport reservation; holiday packages; information and advisory services related to the aforesaid.</i></p>

	<p><i>Class 41: Providing information about entertainment activities, and making reservations and bookings for shows and other entertainment events; publication services; publication of brochures; electronic publications (non downloadable); publishing on-line newsletters in the fields of travel, travel planning, travel and entertainment news, maps, city directories and listings via electronic communication networks for use by travellers; providing information via a website where users can post ratings, reviews and recommendations on events and activities in the fields of entertainment; publishing of reviews; information and advisory services related to the aforesaid.</i></p> <p><i>Class 43: Providing temporary accommodation; accommodation bureau services; providing and rental of holiday homes, holiday flats and apartments; providing room reservation and hotel reservation services; rental of meeting rooms; information and advisory services related to the aforesaid; all of the aforesaid provided in relation to holidays and excursions.</i></p>
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Providing temporary accommodation

42. These services are identical to the opponent's *temporary accommodation*.

Providing and rental of holiday homes, holiday flats and apartments.

43. The law requires that goods and services be considered identical where one party's description of its goods or services encompasses the specific goods or services covered by the other party's description (and vice versa): see *Gérard Meric v OHIM*, Case T-33/05, GC. These services are encompassed by the opponent's term *temporary accommodation* and so are identical.

Accommodation bureau services; providing room reservation and hotel reservation services.

44. The nature and purpose of the services differ. However, there is a level of complementarity as one needs a) to find a room and b) to reserve a room to stay in it. There may also be a coincidence of channels of trade; although it is increasingly common to use third-party websites to find hotel rooms, one may also access the hotel directly to reserve a room. There is a medium level of similarity.

Rental of meeting rooms

45. The nature of the services of both parties is shared because they make rooms available on a temporary basis, although the purpose of the room differs (for staying in or for having a meeting). It is common for hotels to provide conference facilities, and to provide accommodation to those attending conferences in the same hotel, so there is a strong coincidence of trade channels. There is a good deal of similarity between the services.

Information and advisory services relating to the aforesaid.

46. These are part and parcel of the applicant's services which I have analysed above; they share a comparable degree of similarity with the opponent's services.

47. The positive limitation to the applicant's class 43 specification, *all of the aforesaid provided in relation to holidays and excursions* has no bearing on the comparison of services because the opponent's services also cover such services.

48. Turning to the other classes in the application, I cannot see any similarity, bearing in mind the legal tests, with the services of the opponent upon which I have found it may rely. The applicant's class 41 services are not similar to the opponent's services.

49. I cannot detect any similarity between the opponent's services and the applicant's *discount card services; information and advisory services related to the aforesaid*. They are not similar.

50. Hotels often offer currency exchange services. There is, therefore, a coincidence in terms of channels of trade. However, they are not necessary for each other, and do not share nature or purpose. There is a low level of similarity between the opponent's services and *currency exchange services; information and advisory services relating to the aforesaid*.

51. The applicant has cover for travel insurance services. These do not share nature or purpose with the opponent's services. However, travel companies through which one may book a package holiday, including a hotel, offer travel insurance as part of the package. However, neither hotels nor travel insurance are necessary for the other, so there is no complementarity in the *Boston* sense. I find that there is a low level of similarity between the opponent's services and *travel insurance services; information and advisory services relating to the aforesaid*.

52. All of the applicant's class 39 services have a medium degree of similarity with the opponent's services. They are all services which may be offered by the same undertaking putting together a travel package, or a hotel offering such services for its guests. There is a strong similarity in terms of shared trade channels. Furthermore, some of the services may be in competition; one can either travel to a hotel and stay in it, or may choose as an alternative an overnight ferry or sleeper train. Cruises, of course, include accommodation as part of the service.

The average consumer and the purchasing process

53. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. The majority of the parties' services are aimed at the general public and will be primarily visual purchases, e.g. after consulting websites and holiday brochures, although I bear in mind that there may also be a level of 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, as consumers are choosing travel services and/or somewhere to stay which meets their particular needs.

Comparison of marks

54. The marks are as similar as they could be without being identical. The only difference is that the applicant's mark, CHAPTERS, is the plural of the opponent's mark, CHAPTER. In oral use, the absence of a possessive apostrophe would not be perceived.

Distinctive character of the earlier mark

55. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*² the CJEU stated that:

"22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined

² Case C-342/97

Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

56. One of the principles which must be taken into account in deciding whether there is a likelihood of confusion is that there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it. With this in mind, I need to assess whether the use made by the opponent of CHAPTER has improved the distinctiveness level of the mark. The relevant date for this assessment is the filing date of the contested application. It will be apparent from my analysis of the evidence that it is on the scant side. There is insufficient evidence which enables me to decide to what extent the mark has come to identify the services of the opponent in the minds of average consumers. The opponent is not entitled to claim an enhanced level of distinctive character.

57. The average consumer's likely immediate perception of CHAPTER (in the absence of any evidence as to any other meanings) is that it means a section of a book or of a publication. CHAPTER does not, to my knowledge describe any characteristic of the opponent's services. As such, and as a known dictionary word, it has a normal level of inherent distinctive character.

Likelihood of confusion

58. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa. However, if the goods or services are not similar at all, there can be no likelihood of confusion (*Canon*). There is no likelihood of confusion in relation to the following services of the application:

Class 36: discount card services; information and advisory services related to the aforesaid.

Class 41: Providing information about entertainment activities, and making reservations and bookings for shows and other entertainment events; publication services; publication of brochures; electronic publications (non downloadable); publishing on-line newsletters in the fields of travel, travel planning, travel and entertainment news, maps, city directories and listings via electronic communication networks for use by travellers; providing information via a website where users can post ratings, reviews and recommendations on events and activities in the fields of entertainment; publishing of reviews; information and advisory services related to the aforesaid.

59. I have found that the earlier mark has a normal level of distinctive character and that the services will, by and large, be subject to a reasonable level of attention during selection, but no higher. The marks are highly similar, the only difference being the S at the end of the applicant's mark, which could be missed by the average consumer, who has meaning of CHAPTER in mind during recall of the marks. The S also pluralises the word CHAPTER, which is the earlier mark. In oral use, it could sound like the possessive form (e.g. "Chapter's hotel services"). In neither scenario does the additional S make enough of a difference to mitigate the likelihood of imperfect recollection. There is a likelihood of confusion in relation to all the services of the application for which there is a degree of similarity (or identity).

Section 5(3) of the Act

60. Section 5(3) states:

“(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark or international trade mark (EC), in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

61. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective

marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact on the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in

particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora, paragraph 74 and the court's answer to question 1 in L'Oreal v Bellure*).

62. The conditions of section 5(3) are cumulative. Firstly, the opponent must show that CHAPTER has achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between the marks, in the sense of CHAPTER being brought to mind by CHAPTERS. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of the two types of damage claimed (unfair advantage and detriment to distinctive character) will occur. It is unnecessary for the purposes of section 5(3) that the services be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

63. The first condition is reputation. For its section 5(3) ground, the opponent relies upon all the goods and services of its registration. Owing to my earlier findings in respect of genuine use of the registration during the relevant period, the opponent is restricted to claiming a reputation in *temporary accommodation; hotel and motel services*.

64. The CJEU gave guidance in relation to assessing reputation in *General Motors*:

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.”

65. Although I have found that the opponent has made genuine use of its mark in relation to *temporary accommodation* and *hotel and motel services*, I cannot find that it has the requisite reputation in these services to support its section 5(3) claim. The level of turnover is relatively small, given what must be a large market, even just considering the UK position. In fact, no market share figures have been given. There is no evidence of any marketing activity, nor how much the opponent spends on promoting its mark. In providing such scant evidence, the opponent has run the risk that the evidence does not go far enough to show that the mark is entitled to the extended protection for which section 5(3) of the Act provides.

66. Without a reputation, there will be no link made. As the conditions are cumulative, the section 5(3) ground fails.

Section 5(4)(a) of the Act

67. Section 5(4)(a) states:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)...

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

68. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether “a substantial number” of the Claimants' customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

69. I find that the opponent had sufficient goodwill in *temporary accommodation; hotel and motel services* at the date of application, which is the relevant date (there being no use by the applicant) to bring the complaint of passing off. I will consider this ground in relation to the services which survived the section 5(2)(b) ground.

70. The opponent does not appear to me to be in any better a position than in respect of the section 5(2)(b) ground. Despite the marks/signs being highly similar, there is a lack of similarity between the parties’ services. Whilst this does not, automatically, lead to a failure for the opponent, in *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA), Millet L.J. made the following findings about the lack of a requirement for the parties to operate in a common field of activity, and

about the additional burden of establishing misrepresentation and damage when they do not:

“There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff’s business. The expression “common field of activity” was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff’s claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd.* (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although “the plaintiff and the defendant were not competing traders in the same line of business”. In the *Lego case Falconer J.* acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.

The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration

‘...whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant’:

Annabel's (Berkeley Square) Ltd. v. G. Schock (trading as Annabel's Escort Agency) [1972] R.P.C. 838 at page 844 per Russell L.J.

In the *Lego case Falconer J.* likewise held that the proximity of the defendant's field of activity to that of the plaintiff was a factor to be taken into account when deciding whether the defendant's conduct would cause the necessary confusion.

Where the plaintiff's business name is a household name the degree of overlap between the fields of activity of the parties' respective businesses may often be a less important consideration in assessing whether there is likely to be confusion, but in my opinion it is always a relevant factor to be taken into account.

Where there is no or only a tenuous degree of overlap between the parties' respective fields of activity the burden of proving the likelihood of confusion and resulting damage is a heavy one. In *Stringfellow v. McCain Foods (G.B.) Ltd.* [1984] R.P.C. 501 Slade L.J. said (at page 535) that the further removed from one another the respective fields of activities, the less likely was it that any member of the public could reasonably be confused into thinking that the one business was connected with the other; and he added (at page 545) that

‘even if it considers that there is a limited risk of confusion of this nature, the court should not, in my opinion, readily infer the likelihood of resulting damage to the plaintiffs as against an innocent defendant in a completely different line of business. In such a case the onus falling on plaintiffs to show that damage to their business reputation is in truth likely to ensue and to cause them more than minimal loss is in my opinion a heavy one.’

In the same case Stephenson L.J. said at page 547:

‘...in a case such as the present the burden of satisfying Lord Diplock's requirements in the *Advocaat* case, in particular the fourth and fifth requirements, is a heavy burden; how heavy I am not sure the judge fully appreciated. If he had, he might not have granted the respondents relief. When the alleged “passer off” seeks and gets no benefit from

using another trader's name and trades in a field far removed from competing with him, there must, in my judgment, be clear and cogent proof of actual or possible confusion or connection, and of actual damage or real likelihood of damage to the respondents' property in their goodwill, which must, as Lord Fraser said in the *Advocaat* case, be substantial.' ”

71. The opponent's sign cannot be said, on the evidence, to be a household name, or to enjoy such a level of reputation that the distance between the services matters less. In *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5, in the Court of Appeal, Jacob LJ said:

“16 The next point of passing off law to consider is misrepresentation. Sometimes a distinction is drawn between "mere confusion" which is not enough, and "deception," which is. I described the difference as "elusive" in *Reed Executive Plc v Reed Business Information Ltd* [2004] R.P.C. 40. I said this, [111]:

"Once the position strays into misleading a substantial number of people (going from 'I wonder if there is a connection' to 'I assume there is a connection') there will be passing off, whether the use is as a business name or a trade mark on goods."

17 This of course is a question of degree—there will be some mere wonderers and some assumers—there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former.

18 The current (2005) edition of *Kerly* contains a discussion of the distinction at paras 15–043 to 15–045. It is suggested that:

"The real distinction between mere confusion and deception lies in their causative effects. Mere confusion has no causative effect (other than to confuse lawyers and their clients) whereas, if in answer to the question:

'what moves the public to buy?', the insignia complained of is identified, then it is a case of deception."

19 Although correct as far as it goes, I do not endorse that as a complete statement of the position. Clearly if the public are induced to buy by mistaking the insignia of B for that which they know to be that of A, there is deception. But there are other cases too—for instance those in the Buttercup case. A more complete test would be whether what is said to be deception rather than mere confusion is really likely to be damaging to the claimant's goodwill or divert trade from him. I emphasise the word "really."

72. The use of the application would not cause a substantial number of the opponent's customers to be misled into purchasing the applicant's services, believing that they are provided by the opponent. The section 5(4)(a) ground fails.

Overall outcome

73. The opposition partially succeeds under section 5(2)(b) of the Act. The application is refused for the following services:

Class 36: Travel insurance services; currency exchange services; information and advisory services related to the aforesaid.

Class 39: Travel services; transport; packaging and storage of goods; travel arrangement; travel agency and tourist services; arranging of tours; tour operations; arranging of cruises; bus transport; air transport; railway transport; ferry boat transport, escorting of travellers; sightseeing; rental of boats, cars, aeroplanes; parking place rental; booking of seats for travel; travel reservation; transport reservation; holiday packages; information and advisory services related to the aforesaid.

Class 43: Providing temporary accommodation; accommodation bureau services; providing and rental of holiday homes, holiday flats and apartments; providing room reservation and hotel reservation services; rental of meeting

rooms; information and advisory services related to the aforesaid; all of the aforesaid provided in relation to holidays and excursions.

74. The application may proceed to registration for the following services:

Class 36: Discount card services; information and advisory services related to the aforesaid.

Class 41: Providing information about entertainment activities, and making reservations and bookings for shows and other entertainment events; publication services; publication of brochures; electronic publications (non downloadable); publishing on-line newsletters in the fields of travel, travel planning, travel and entertainment news, maps, city directories and listings via electronic communication networks for use by travellers; providing information via a website where users can post ratings, reviews and recommendations on events and activities in the fields of entertainment; publishing of reviews; information and advisory services related to the aforesaid.

Costs

75. Both parties have achieved a roughly equal measure of success, with the opponent being marginally more successful in terms of the proportion of services which have been refused. In the circumstances, I award the opponent the statutory fee for filing the opposition (£200) as a contribution towards its costs.

76. I order RWH Travel Limited to pay to New Light Hotels Limited the sum of **£200**. This sum is to be paid within 14 days of the expiry of the appeal period or within 14 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 12th day of June 2018

Judi Pike

**For the Registrar,
the Comptroller-General**