O-525-14

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 3014228
IN THE NAME OF SIGNMANAGER LIMITED
OF THE TRADE MARK

IN CLASS 43

AND
THE OPPOSITION THERETO
UNDER NO 401318
BY
BOOKING.COM B.V.

Background and the pleadings

1. Booking.com B.V. ("the opponent") opposes the application by signmanager limited ("the applicant") to register, under number 3014228, the trade mark shown below:

2. The application was filed on 17 July 2013 and was published for opposition purposes in the *Trade Marks Journal* on 6 September 2013 for the following services in class 43:

Booking of hotel rooms for travellers; Booking services for hotels; Hotel reservation services; Hotel reservations; Hotel room booking services; Hotel room reservation services; Hotel-reservation; Hotels; Making hotel reservations for others; Rental of rooms; Resort hotels; Room booking; Room reservation services; Services for reserving hotel rooms.

3. The opposition is made on the basis that registration of the mark would be contrary to sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). To support its grounds under sections 5(2)(b) and 5(3), the opponent relies upon its class 43 services in its two earlier trade mark registrations, as follows:

(i) Community Trade Mark 8955353

BOOKING.COM

Hotel reservation services, holiday accommodation reservation services and resort reservation services; Providing of information relating to hotels, holiday accommodation and resorts; Appraisal of hotel accommodation; Advisory and consultancy services relating to all the aforesaid services; And including the provision of all the aforesaid services on-line

The mark was applied for on 15 March 2010 and it completed its registration process on 5 October 2011.

(ii) UK 2541988

BOOKING.COM

Hotel reservation services, holiday accommodation reservation services and resort reservation services; provision of information relating to hotels, holiday accommodation and resorts; appraisal of hotel accommodation; advisory and consultancy services relating to all the aforesaid services; and including the provision of all the aforesaid services on-line.

The mark was applied for on 16 March 2010 and it completed its registration process on 11 January 2013.

The opponent also relies upon the class 39 services of these two registrations for its section 5(3) ground, in addition to class 43. The class 39 specifications are virtually identical:

Travel and tour agency services, ticket reservation and booking agency services, tourist agency services, provision of information relating to travel and travel destinations; advisory and consultancy services relating to all the aforesaid services; and including the provision of all the aforesaid services on-line.

4. The opponent claims that there is a likelihood of confusion under section 5(2)(b) of the Act because of the similarities between the parties' marks and the identity or high similarity of the services. Under section 5(3) of the Act, the opponent claims that the applicant will benefit from the opponent's reputation in its marks leading to a marketing advantage for the applicant. The opponent claims that use of the application will dilute the distinctiveness of the earlier marks. The opponent also claims that use of the application would cause detriment to the repute of its marks.

5. The opponent's section 5(4)(a) claim is based on its use of the sign BOOKING.COM in the UK since 1 January 2006 in relation to accommodation reservation services. The opponent claims that it has built up a significant reputation and goodwill in its sign and that use of the application will lead to a misrepresentation such that the public believes or is likely to believe that the applicant's services are those of the opponent or linked to the opponent, leading to damage.

6. The applicant filed a counterstatement in which it states that it is completely different to the opponent; presumably meaning that its mark is completely different to the earlier marks. The earlier marks completed their registration processes less than five years prior to the publication of the opposed application. This means that the opponent does not have to prove that genuine use has, as yet, been made of its mark, save that it must prove a sufficient reputation for its ground under section 5(3).

7. The applicant is representing itself. Other than its counterstatement, it has filed no documentation (no evidence or written submissions). The opponent is represented by a firm of trade mark attorneys. It filed evidence and written submissions in lieu of a hearing, neither side choosing to be heard.

The opponent's evidence

8. The opponent's evidence comes from Rutger Prakke, who is the opponent's General Counsel, and from Birgit Schnell, who is the opponent's trade mark attorney, with the firm Rouse & Co International LLP. Some of the evidence is confidential, and so has been redacted from this published version of the decision.

Ms Schnell's evidence

9. Ms Schnell adduces the evidence which the opponent filed in 2012 in order to overcome an *ex officio* objection raised by the Trade Marks Registry under section 3(1)(b) and (c) of the Act against its application (for 2541988). The application was accepted on the basis of distinctiveness acquired through use. Exhibit BS3 to Ms Schnell's evidence is subject to a confidentiality order. This exhibit consists of a witness statement by Oliver Jean-Marie Bisserier, who was the opponent's Chief Financial Officer at the time when the evidence was originally filed. Exhibit BS2 consists of a witness statement, dated 21 September 2012, by Darren Huston, who was the opponent's Chief Executive Officer at the time. Points of note from the evidence include:

- The opponent provides online hotel reservation services through which hotels advertise their rooms and consumers make reservations.

- The mark BOOKING.COM was used from June 2006. Services are provided through the opponent's website www.booking.com. Services are made available to hotels and consumers under the mark BOOKING.COM

- The majority of the opponent's marketing expenditure is spent on pay per click advertising, for example, on Google, Yahoo and Bing.

- A report in March 2010 said that the opponent was the most visible online advertiser in the hotel agent business.

- Various examples of the mark in use, e.g. on Ryanair advertisements and inside the planes themselves along the overhead lockers.

- Examples of BOOKING.COM job advertisements, such as that published in The Guardian in January 2010.

- In 2011, nearly (redacted figures) reservations were made by UK residents, with gross turnover for the amount of room nights reserved by UK residents (in and outside of the UK) totalling € (redacted figures).

- At the time of Mr Bisserier's statement, (redacted figures) hotels in the UK were using the opponent's services under the mark to promote their hotels.

Mr Prakke's evidence

10. Mr Prakke states that the contents of his statement are taken from his own knowledge, from his company's records, to which he has full access, or that he

believes the facts to be true if they come from another source. Part of his evidence is subject to a confidentiality order (exhibit RMP1). Parts of Mr Prakke's evidence do not relate specifically to the UK, so do not give a picture of UK consumers' perceptions of the mark. Points of note include:

- In 2012, there were nearly (redacted figures) reservations made by UK residents and (redacted figures) hotels in the UK using the opponent's services under the mark to promote their hotels.

- 2.2 million newsletters are sent out per week to UK customers.

Decision

11. Section 5(2)(b) of the Act states that:

> "(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."

12. The following principles are gleaned from the decisions of the EU courts 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 will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of services

13. The competing specifications are shown in this table:

Opponent	Applicant
Hotel reservation services, holiday accommodation reservation services and resort reservation services; provision of information relating to hotels, holiday accommodation and resorts; appraisal of hotel accommodation; advisory and consultancy services relating to all the aforesaid services; and including the provision of all the aforesaid services on-line.	*Booking of hotel rooms for travellers; Booking services for hotels; Hotel reservation services; Hotel reservations; Hotel room booking services; Hotel room reservation services; Hotel-reservation; Hotels; Making hotel reservations for others; Rental of rooms; Resort hotels; Room booking; Room reservation services; Services for reserving hotel rooms.*

14. In *Gérard Meric v Office for Harmonisation in the Internal Market,* Case T-133/05, the General Court ("GC") stated that:

> "29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark".

15. With the exception of *rental of rooms*, *hotels* and *resort hotels*, the parties' services are either identically worded or the terms in one party's specification are encompassed by terms in the other party's specification.

Rental of rooms, hotels and *resort hotels*

16. 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."

17. 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.

18. 'Complementary' was defined by the GC in *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-325/06:

> "82 It is true that goods are complementary if there is a close connection between them, 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…".

In *Sanco SA v OHIM,* Case T-249/11, the GC indicated that goods and services may be regarded as 'complementary' and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted, sitting as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited*, BL O/255/13:

> "It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes."

Whilst on the other hand:

> ".....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together.

19. 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."

20. In *Avnet Incorporated v Isoact Limited,* [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

> "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."

21. The opponent's services cover the reservation of rooms, not the rental of the rooms, hotels or resort hotels, which is what the hotels using the opponent's services provide. The users of the reservation services and the rental of rooms, hotels and resort hotels are the public. Accessing rental of rooms, hotels and resort hotels will entail making use of a reservation service. The channels of trade may therefore be the same and there is a high level of complementarity between the parties' services such that the public will believe that responsibility for the reservation service and the actual accommodation lies with the same undertaking or with economically connected undertakings. The purpose of the services is to enable one to stay in temporary accommodation. The services are very similar.

Average consumer

22. 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.*

23. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited,* [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

> "60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words "average" denotes that the person is typical. The term "average" does not denote some form of numerical mean, mode or median."

24. The average consumer for the parties' services is the general public. The services will be purchased primarily visually after examination of sales information, such as websites and advertisements, but in the hotel reservation business, reservations are often made by telephone, so I bear in mind the aural aspect to the purchasing process. Hotel services (covered by the application) and services for booking accommodation will cause some degree of care to be used, depending on price and to ensure comfort, location and other aspects of suitability, but not the highest level of care. The selection of the hotel itself will be carried out with greater care than the use of a booking service, although the latter will still need to be selected as being reliable and secure.

Comparison of marks

25. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM,* that:

> ".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

26. It would be wrong, therefore, artificially to dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

27. As the opponent's registrations are both for BOOKING.COM, I will refer to the marks in the singular. The respective marks are:

Opponent	Applicant
BOOKING.COM	

28. The opponent's mark consists of a domain name, BOOKING.COM. This is the overall impression of the opponent's mark, neither BOOKING nor COM having greater weight than the other in the overall impression. In the application, the device is the more dominant component because of its proportion, relative to the word elements. The "Online Hotel Reservation" element is very small, almost de minimis, proportionately, so plays only a very weak role (if any) in the overall impression. However, although the eye is initially drawn to the device, the natural tendency is to read the words LE-BOOKING.COM. Both the device and the words LE-BOOKING.COM contribute to the overall impression created by the application. Of course, when I come on to make the global assessment of whether there is a likelihood of confusion, the relative distinctiveness of the elements will be a factor to be considered.

29. The visual point of similarity between the marks is the presence in both marks of BOOKING.COM. The overlap in the OO in the application will not make any material difference as the eye will see the word BOOKING. The large device, and the 'LE' are the principal points of visual difference. Consequently, there is a moderate degree of visual similarity between the marks. Aurally, the similarity is greater, because the device will not be articulated. I doubt that the words Online Hotel Reservation would be spoken, as they are purely descriptive, and very small: the applicant's mark is more likely to be referred to as LE-BOOKING.COM. The point of difference here is small: LE. Aurally, the marks share a good deal of similarity.

30. The concept of the opponent's mark is that of a domain name incorporating the word BOOKING, which in the context of the opponent's services, means the reservation of accommodation. This is also one of the concepts in the application, although the words have been given a French flavour by the addition of 'LE', meaning 'THE'. The other concept is that of business people (they are wearing suits

and ties) travelling, because one of the silhouettes is carrying luggage and there is a globe in the background. The device gives the impression of global travel. When coupled with the word elements, the concept of the applicant's mark is the booking of accommodation for global/international travel. The concepts of the two marks share a good deal of conceptual similarity; whilst the application includes the international dimension conceptually, both marks signify booking/reservation (of accommodation).

Distinctiveness of the earlier mark

31. In *Lloyd Schuhfabrik Meyer & Co. GmbH* v *Klijsen Handel BV,* Case C-342/97 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 Cases C-108/97 and C-109/97 *WindsurfingChiemsee* 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)."

32. The opponent's mark was accepted for registration on the basis of distinctiveness acquired through use. Inherently, it is not the most distinctive of marks, signifying the online presence of a company which takes bookings. However, the scale of the use shown in the evidence, particularly in terms of the number of reservations made annually by UK residents and the number of UK consumers who received the weekly BOOKING.COM newsletter, means that the opponent is entitled to rely upon an enhanced level of distinctive character to a reasonably high degree in relation to its class 43 services.

Likelihood of confusion

33. 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 principles from the EU courts.

34. One of those principles states that a lesser degree of similarity between the goods and services may be offset by a greater degree of similarity between the trade

marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). I have found that the services are identical or very similar.

35. In *Bimbo SA v OHIM,* Case T-569/10, the GC held that:

> "96.According to the case-law, where goods or services are identical there may be a likelihood of confusion on the part of the public where the contested sign is composed by juxtaposing the company name of another party and a registered mark which has normal distinctiveness and which, without alone determining the overall impression conveyed by the composite sign, still has an independent distinctive role therein (Case C-120/04 *Medion* [2005] ECR I-8551, paragraph 37). There may also be a likelihood of confusion in a case in which the earlier mark is not reproduced identically in the later mark (see, to that effect, Joined Cases T-5/08 to T-7/08 *Nestlé* v *OHIM – Master Beverage Industries (Golden Eagle and Golden Eagle Deluxe)* [2010] ECR II-1177, paragraph 60)."

36. In *Aveda Corp v Dabur India Ltd* [2013] EWHC 589 (Ch), Arnold J. stated that:

> "47. In my view the principle which I have attempted to articulate in [45] above is capable of applying where the consumer perceives one of the constituent parts to have significance independently of the whole, but is mistaken as to that significance. Thus in *Bulova Accutron* the earlier trade mark was ACCURIST and the composite sign was BULOVA ACCUTRON. Stamp J. held that consumers familiar with the trade mark would be likely to be confused by the composite sign because they would perceive ACCUTRON to have significance independently of the whole and would confuse it with ACCURIST.
>
> 48. On that basis, I consider that the hearing officer failed correctly to apply *Medion v Thomson*. He failed to ask himself whether the average consumer would perceive UVEDA to have significance independently of DABUR UVEDA as a whole and whether that would lead to a likelihood of confusion."

37. 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 (*Sabel BV v Puma AG*). The use by the opponent of its mark means that it has become distinctive of the opponent to a reasonably high degree. The substantial reputation in the opponent's mark for its services, which are identical or highly similar to the applicant's services is a factor in the opponent's favour. The device in the application is relatively low in distinctive character, signifying global travellers. The similarities between the marks, which are greater at the aural and conceptual levels, are also points in the opponent's favour which are not offset by the hyphenated 'LE'. LE-BOOKING.COM has an independent distinctive role within the applicant's mark, without determining the overall impression. All these factors combine to create the impression that the presence of the common element, BOOKING.COM, means that the parties are connected with one another.

38. The confusion will be of the sort sometimes called 'indirect', whereby the marks are not confused directly with one another, but the various similarities (and the

reputation of the earlier mark in this case) combine to cause the average consumer to believe that the services derive from companies which are linked economically. Alternatively, the perception will be that the applicant's mark denotes an extension to the BOOKING.COM brand, perhaps relating to a French business dimension, Le being French for 'The'. Direct or indirect confusion means that there is a likelihood of confusion: if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*). Indirect confusion was explained by Mr Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

> "16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.
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> 17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:
>
> (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ("26 RED TESCO" would no doubt be such a case).
>
> (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as "LITE", "EXPRESS", "WORLDWIDE", "MINI" etc.).
>
> (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ("FAT FACE" to "BRAT FACE" for example)."

39. There is a likelihood of confusion. The opposition succeeds in full under section 5(2)(b) of the Act.

Section 5(3) of the Act

40. 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."

41. 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, *Addidas-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; G*eneral 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 likelihood 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 of 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).*

42. The conditions of section 5(3) are cumulative. Firstly, the opponent must satisfy the condition that its earlier mark has achieved a level of knowledge/reputation amongst a significant part of the public. Secondly, it must establish that the level of reputation and the alleged similarities between the marks will cause the public to make a link between them, when used in respect of the parties' services, in the sense of the earlier mark being brought to mind by the later mark. Thirdly, assuming that the first and second conditions have been met, section 5(3) requires that one or more of three types of damage will occur. These are, within the context of the opponent's claims:

(i) that the application will erode or 'dilute' the distinctiveness of the opponent's mark so that the latter's capacity to act as an sign of trade origin will be diminished (detriment to the distinctive character of the earlier mark);

(ii) that the opponent will lose custom because its mark will be 'tarnished', because the applicant's services may be of inferior quality. There will be a negative impact on the image of the opponent's mark (detriment to the repute of the earlier mark);

(iii) that the applicant will find it easier to sell its services because of the link made with the opponent's mark, thereby riding on the coat tails of the opponent's promotional efforts and the reputation of the earlier mark (the later mark will take unfair advantage of the distinctive character or repute of the earlier mark.)

43. If any one of these three types of damage is proven by the opponent, the section 5(3) ground of opposition will be successful unless, notwithstanding the damage, the

applicant shows that it has "due cause", which is a compelling business reason to use its mark.

44. The level of reputation necessary for a section 5(3) ground was described by the CJEU in *General Motors*:

> "23. ... In so far as Article 5(2) of the Directive, unlike Article 5(1), protects trade marks registered for non-similar products or services, its first condition implies a certain degree of knowledge of the earlier trade mark among the public. It is only where there is a sufficient degree of knowledge of that mark that the public, when confronted by the later trade mark, may possibly make an association between the two trade marks, even when used for non-similar products or services, and that the earlier trade mark may consequently be damaged.
>
> 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."

45. I have set out in paragraph 32 my findings in relation to the reputation of the earlier mark. Although there are no market share figures, the substantial number of bookings made annually, the level of exposure to the mark through advertising and the 2.2 million newsletters sent every week to UK customers means that the degree of knowledge required must be considered to have been reached. The earlier mark is known by a significant part of the public concerned by the services covered by that trade mark in relation to the services in class 43. The opponent's mark satisfies this condition of section 5(3).

46. The next consideration is whether the public will make a link between the marks. The relevant public is the public at large for both parties' services, and is deemed to be reasonably well informed and reasonably observant and circumspect[1]. The CJEU said in *Intel* that if the later mark would call the earlier mark to mind, this is

[1] *Intel Corporation Inc v CPM (UK) Ltd* (C-252-07), paragraphs 35 and 36.

tantamount to the existence of a link. The other factors considered by the CJEU are as follows, from the same judgment (with my underlining):

> "31 In the absence of such a link in the mind of the public, the use of the later mark is not likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark.
>
> …
>
> 41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case…
>
> 42 Those factors include:
>
> – the degree of similarity between the conflicting marks;
>
> – the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
>
> – the strength of the earlier mark's reputation;
>
> – the degree of the earlier mark's distinctive character, whether inherent or acquired through use;
>
> – the existence of the likelihood of confusion on the part of the public.
>
> 44 As regards the degree of similarity between the conflicting marks, the more similar they are, the more likely it is that the later mark will bring the earlier mark with a reputation to the mind of the relevant public. That is particularly the case where those marks are identical.
>
> 45 However, the fact that the conflicting marks are identical, and even more so if they are merely similar, is not sufficient for it to be concluded that there is a link between those marks.
>
> 46 It is possible that the conflicting marks are registered for goods or services in respect of which the relevant sections of the public do not overlap.
>
> 47 The reputation of a trade mark must be assessed in relation to the relevant section of the public as regards the goods or services for which that mark was registered. That may be either the public at large or a more specialised public (see *General Motors*, paragraph 24).
>
> 48 It is therefore conceivable that the relevant section of the public as regards the goods or services for which the earlier mark was registered is completely distinct from the relevant section of the public as regards the goods or services for which the later mark was registered and that the earlier mark, although it has a reputation, is not known to the public targeted by the later mark. In such a

case, the public targeted by each of the two marks may never be confronted with the other mark, so that it will not establish any link between those marks.

49 Furthermore, even if the relevant section of the public as regards the goods or services for which the conflicting marks are registered is the same or overlaps to some extent, those goods or services may be so dissimilar that the later mark is unlikely to bring the earlier mark to the mind of the relevant public.

50 Accordingly, the nature of the goods or services for which the conflicting marks are registered must be taken into consideration for the purposes of assessing whether there is a link between those marks.

51 It must also be pointed out that certain marks may have acquired such a reputation that it goes beyond the relevant public as regards the goods or services for which those marks were registered.

52 In such a case, it is possible that the relevant section of the public as regards the goods or services for which the later mark is registered will make a connection between the conflicting marks, even though that public is wholly distinct from the relevant section of the public as regards goods or services for which the earlier mark was registered.

53 For the purposes of assessing where there is a link between the conflicting marks, it may therefore be necessary to take into account the strength of the earlier mark's reputation in order to determine whether that reputation extends beyond the public targeted by that mark.

54 Likewise, the stronger the distinctive character of the earlier mark, whether inherent or acquired through the use which has been made of it, the more likely it is that, confronted with a later identical or similar mark, the relevant public will call that earlier mark to mind.

55 Accordingly, for the purposes of assessing whether there is a link between the conflicting marks, the degree of the earlier mark's distinctive character must be taken into consideration.

56 In that regard, in so far as the ability of a trade mark to identify the goods or services for which it is registered and used as coming from the proprietor of that mark and, therefore, its distinctive character are all the stronger if that mark is unique – that is to say, as regards a word mark such as INTEL, if the word of which it consists has not been used by anyone for any goods or services other than by the proprietor of the mark for the goods and services it markets – it must be ascertained whether the earlier mark is unique or essentially unique.

57 Finally, a link between the conflicting marks is necessarily established when there is a likelihood of confusion, that is to say, when the relevant public believes or might believe that the goods or services marketed under the earlier mark and those marketed under the later mark come from the same undertaking or from economically-linked undertakings (see to that effect, inter alia, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph

17, and Case C-533/06 *O2 Holdings and O2 (UK)* [2008] ECR I-0000, paragraph 59).

58 However, as is apparent from paragraphs 27 to 31 of the judgment in *Adidas-Salomon and Adidas Benelux*, implementation of the protection introduced by Article 4(4)(a) of the Directive does not require the existence of a likelihood of confusion.

59 The national court asks, in particular, whether the circumstances set out in points (a) to (d) of Question 1 referred for a preliminary ruling are sufficient to establish a link between the conflicting marks.

60 As regards the circumstance referred to in point (d) of that question, the fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark would call the earlier mark to mind is tantamount to the existence of such a link.

61 As regards the circumstances referred to in paragraphs (a) to (c) of that question, as is apparent from paragraph 41 to 58 of this judgment, they do not necessarily imply the existence of a link between the conflicting marks, but they do not exclude one either. It is for the national court to base its analysis on all the facts of the case in the main proceedings.

62 The answer to point (i) of Question 1 and to Question 2 must therefore be that Article 4(4)(a) of the Directive must be interpreted as meaning that whether there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the earlier mark with a reputation and the later mark must be assessed globally, taking into account all factors relevant to the circumstances of the case.

63 The fact that for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks.

64 The fact that:

– the earlier mark has a huge reputation for certain specific types of goods or services, and

– those goods or services and the goods or services for which the later mark is registered are dissimilar or dissimilar to a substantial degree, and

– the earlier mark is unique in respect of any goods or services,

does not necessarily imply that there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks."

47. As I have found that there is a likelihood of confusion, it naturally follows that there would be a link made between the parties' marks. However, even without a likelihood of confusion, the presence in the applicant's mark of BOOKING.COM, for which there is a substantial reputation, and the fact that the services are identical and highly similar means that a link would be made.

Unfair advantage of the distinctive character or the repute of the earlier trade mark

48. The question is whether the applicant will have an unfair advantage in using its mark because there will be an increased chance that the public will buy its services because of the link made with the opponent's mark.

49. There is some debate as to whether the judgment of the CJEU in *L'Oreal v Bellure* means that an advantage gained by the user of a junior mark is only unfair if there is an intention to take advantage of the senior mark, or some other factor is present which makes the advantage unfair. The English Court of Appeal has considered this matter three times. Firstly, in *L'Oreal v Bellure* [2010] RPC 23 when that case returned to the national court for determination. Secondly, in *Whirlpool v Kenwood* [2010] RPC 2: see paragraph 136. Thirdly, in *Specsavers v Asda Stores Limited* [1] [2012] EWCA Civ 24: see paragraph 127. On each occasion the court appears to have interpreted *L'Oreal v Bellure* as meaning that unfair advantage requires something more than an advantage gained without due cause. However, the absence of due cause appears to be closely linked to the existence of unfair advantage. See paragraph 36 of the opinion of Advocate General Kokott in Case C-65/12 *Leidseplein Beheer and Vries v Red Bull.*

50. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. considered the earlier case law and concluded that:

> "80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill."

51. The applicant has filed no evidence. There is no suggestion that the applicant has 'due cause' to use the mark for which it has applied. There is no evidence of subjective intention, but, owing to the use of BOOKING.COM since 2006 and the significant level of reputation of the opponent's mark for identical and highly similar services since at least 2007, the objective effect of use of the application will be to

gain a marketing advantage for the applicant. This is because the applicant's mark will call to mind the opponent's mark and will therefore appear instantly familiar to the public concerned, thereby making it easier for the applicant to establish its mark and to sell its services without the usual marketing expenditure. **I find that use of the applicant's trade mark would take unfair advantage of the distinctive character and repute of the opponent's mark. The opposition succeeds under section 5(3) of the Act.**

52. The opponent only needs to establish success under one of the three types of damage to which I referred earlier; as it has also succeeded under section 5(2)(b), for the sake of procedural economy, I do not propose to look at the other two possible heads of damage under section 5(3) of the Act.

Section 5(4)(a)

53. Given the conclusions reached, I will deal briefly with the claim to passing off. 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."

54. Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

> "The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:
>
> (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
>
> (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and
>
> (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation."

55. The relevant date at which matters must be assessed is the date on which the application was filed, because there is no evidence that the applicant's mark had been used before that date. It will be very clear from findings made earlier in this decision that the opponent had, at that date (17 July 2013), a substantial reputation and goodwill in the sign BOOKING.COM (since at least 2007). For similar reasons to those I have set out in relation to a likelihood of confusion under section 5(2)(b) of the Act, I find that there is a misrepresentation which is likely to lead to a substantial number of the public believing that the applicant's services are those of the opponent. This belief will cause damage to the opponent: in *Ewing v Buttercup Margarine Company, Limited,* [1917] 2 Ch. 1 (COA), Warrington L.J. stated that:

> "To induce the belief that my business is a branch of another man's business may do that other man damage in various ways. The quality of goods I sell, the kind of business I do, the credit or otherwise which I enjoy are all things which may injure the other man who is assumed wrongly to be associated with me."

56. The applicant is liable to be prevented from use of its trade mark under the law of passing-off. **The opposition succeeds under section 5(4)(a) of the Act.**

Outcome

57. The opposition succeeds under sections 5(2)(b), 5(3) and 5(4)(a) of the Act. The application is refused.

Costs

58. The opponent has been successful and is entitled to a contribution toward the cost of the proceedings. The registrar normally awards costs from the published scale, as set out in Tribunal Practice Notice 4/2007. I will not award the opponent costs for the part of its evidence, originally filed to support its application, which related to a survey because it did not seek the Tribunal's permission to file such evidence, as per Tribunal Practice Notice 2/2012. I have not taken that part of the evidence into account. I will also reduce the award for the evidence originally filed when the opponent was seeking acceptance for its application for registration; it was not put to a great deal of cost in re-filing this under cover of a short witness statement from its trade mark attorney, Ms Schnell. I assess the cost award as follows:

Opposition fee	£200
Preparing a statement and considering the counterstatement	£300
Filing evidence	£600
Written submissions in lieu of a hearing	£300
Total	**£1400**

59. I order signmanager limited to pay Booking.com B.V. the sum of £1400 which, in the absence of an appeal, should be paid within seven days of the expiry of the appeal period.

Dated this 10th day of December 2014

Judi Pike
For the Registrar,
the Comptroller-General