

**TRADE MARKS ACT 1938 (AS AMENDED)  
TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NOS. 1476671 AND 1476672  
IN THE NAME OF CRYSTAL HOLDINGS LIMITED  
IN RESPECT OF APPLICATIONS IN CLASS 39 AND CLASS 42**

**AND**

**OPPOSITION THERETO UNDER NOS. 42938 AND 42937  
BY CRYSTAL CRUISES INC.**

**TRADE MARKS ACT 1938 (AS AMENDED)  
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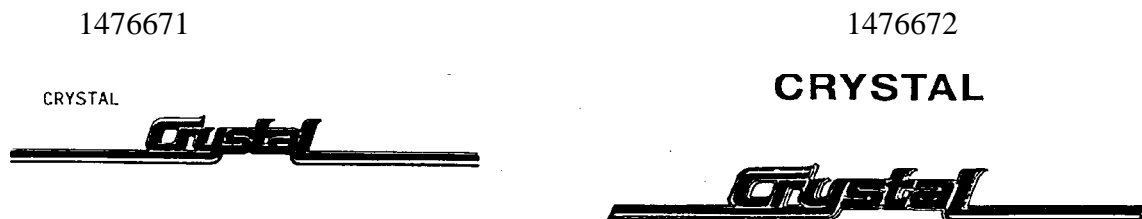
**IN THE MATTER OF Application Nos. 1476671 and 1476672  
In the name of Crystal Holidays Limited  
In respect of Applications in Class 39 and Class 42**

**and**

**IN THE MATTER OF Opposition thereto under Nos. 42938 and 42937  
by Crystal Cruises Inc.**

**BACKGROUND**

On 9 September 1991 Crystal Holidays Limited of Surbiton, Surrey, applied to register the following series of trade marks under application Nos. 1476671 and 1476672



in respect of the following specification of services:

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|----|---------|--|
| 30 | 1476671 | Arranging of holidays, tours, cruises and of airline travel; travel agency services; airline transport; delivery of cargo by air; booking of seats for travel; bus transport; hire, leasing and rental of cars; arranging and conducting of sight-seeing tours, escorting of travellers; tourist office services; chartering of airlines, boats, ferries, trains and coaches; all included in Class 39, but not including the sale and supply of discounted airline tickets. |
| 35 |         |  |
| 40 | 1476672 | Hotel services; reservation of accommodation; leasing and rental of villas and chalets for temporary accommodation; leasing and rental of temporary accommodation; provision of facilities for conferences, exhibitions and seminars; all included in Class 42.  |

The specification of application No 1476671 was amended following advertisement (and following the joining of opposition proceedings) to include the following amendment:

"but not including the sale and supply of discounted airline tickets." I do not believe that this amendment has any bearing on the matters in hand.

5 On 10 August 1995, Crystal Cruises Inc. of California, United States of America, filed notices of opposition against these applications. In both cases the grounds of opposition are the same and in summary are as follows:

- 10 1. Under the provisions of Section 9 and Section 10 of the Act in that the trade marks the subject of the applications for registration are neither adapted to distinguish, nor capable of distinguishing, the services of the applicant from those of other traders
- 15 2. Under Section 11 of the Act because, as a result of the use by the opponents of the trade marks CRYSTAL SYMPHONY and CRYSTAL HARMONY in the United Kingdom in relation to the transportation of passengers by luxury cruise ships use by the applicants of CRYSTAL trade marks would lead to deception and confusion.
- 20 3. Under Section 68 of the Act because the trade marks the subject of the applications are not being used as trade marks; that in any event the applicants are not the true proprietors and because the applicants have no bone fide intention to use the trade marks in relation to all the services claimed.
- 25 4. Under Section 17(2) they ask the Registrar to exercise her discretion to refuse the applications because registration of the trade marks would impinge on the worldwide reputation of the opponent and would cause them material damage.

30 The applicants filed a counterstatement in which they deny all of these grounds. They too ask that the Registrar exercises her discretion in their favour.

Both sides seek an award of costs.

35 Both parties filed evidence in these proceedings and the matter came to be heard on December 8 2000 when the applicants were represented by Mr Mark Engleman of Counsel instructed by Pinsent Curtis, their solicitors. The opponents were represented by Mr Michael Edenborough of Counsel instructed by Eric Potter Clarkson their agents.

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

45 Just after the proceedings were joined it was agreed that the two opposition cases should be consolidated and the review of the evidence and the decision which follows reflects that decision.

## Opponents' Evidence

5 This consists of a Statutory Declaration dated 9 August 1995 by Edwina Lonsdale. She is Director of Sales and Marketing of Paul Mundy Cruising Limited (PMCL) of Regent Street, London. The facts that she relates are derived from her own personal knowledge or from the books and records of her company.

10 Edwina Lonsdale states that PMCL in March 1991 was appointed General Sales Agent for the United Kingdom and the Republic of Ireland on behalf of the opponents. It was their role to promote and sell the opponents cruise ship holidays which were available on vessels named CRYSTAL SYMPHONY and CRYSTAL HARMONY.

15 Edwina Lonsdale goes on to exhibit a selection of brochures, mail shots and other promotional materials distributed by Paul Mundy Cruise Limited to promote the cruise ship holidays of the opponent between March 1991 and the date of the declaration. Most is material prepared or distributed well after the date of the application for registration in suit. She goes on to provide details of the number of brochures, supplements etc. which were distributed directly to the public or to selected agents. These items are the brochure produced by Crystal Cruises Inc. for the American market together with supplements and additions (which contain sterling equivalent prices) tailored for the United Kingdom market. In addition, mail shots go to members of the Passenger Shipping Association Retail Agents Scheme (a portion of the travel agency membership of The Association of British Travel Agents) whose businesses are specifically directed to sales of cruise holidays etc. PMCL also regularly correspond with a list of 150 travel agents who have proven records of sales of cruise holidays and well established mailing lists. In respect of these activities PMCL had a budget of £10,000 for the year 1991.

Edwina Lonsdale states that in 1991 PMCL's turnover in relation to sales of the opponents' cruises was \$144,000.

30 The Statutory Declaration of David George Minto is dated 22 January 1997. He is a registered trade mark agent and a partner in the firm of Eric Potter Clarkson who have conduct of the opponents affairs in this matter. He states that on 15 October 1996 he forwarded questionnaires to 22 travel agents in the United Kingdom. He exhibits a copy of the questionnaire together with a copy of the wording of the standard letter that accompanied it. He received twelve completed questionnaires, six of which are confirmed by way of Statutory Declarations executed by the respondents (see below). He also produces the six other completed questionnaires which were returned. Statutory Declarations were also provided by Mr Joseph Henry Laycock, dated 10 December 1996, William C Stewart dated 31 October 1996, Mr Douglas J Wardle dated 30 October 1996, Moira A Scott dated 5 November 1996, John Malcolm Spicer dated 6 November 1996 and Brian Walter Bass dated 14 November 1996. All refer to the letter from Mr Minto asking them to complete a questionnaire and all attach the completed questionnaires to their Statutory Declaration. At this point I should state that I have no intention of giving these Statutory Declarations and their exhibits any weight. The survey is deficient in many ways, but principally those surveyed

are asked about their knowledge of CRYSTAL trade marks some five years after the date of these applications for registration. In my view it would be impossible to infer from the results what the position might have been at the relevant date. In these circumstances it would be unrealistic to give any weight at all to the responses to Mr Minto's questionnaire.

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Finally, there is a Statutory Declaration by Gregg L Michel, dated 17 October 1996. He is Senior Vice President, Finance, of Crystal Cruises Inc. and the facts he relates are derived from his own personal knowledge or from the opponents' books and records. He states that the opponents' business is the provision of transportation of passengers by cruise ships and in particular the transportation of passengers by their own luxury cruise ships CRYSTAL HARMONY and CRYSTAL SYMPHONY. Their business is therefore international in scope transporting passengers to and from a large number of countries including the United Kingdom. The company was incorporated in 1988 when it offered cruise services in the United States under the term CRYSTAL CRUISES. In 1991, and since, having entered into an agreement with PMCL, their services have been offered to clients in the United Kingdom using the cruise ship CRYSTAL HARMONY and subsequently CRYSTAL SYMPHONY.

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Mr Michel goes on to say that the name and service mark CRYSTAL CRUISES has been used since 1988 and the names CRYSTAL HARMONY and CRYSTAL SYMPHONY used since 1990 and 1995 (when the respective ships came into service). The opponents therefore have and continue to make extensive and comprehensive use of the word CRYSTAL in the promotion and advertising of these cruises and related services. As far as the United Kingdom is concerned sales of CRYSTAL CRUISE HOLIDAYS in the period 1991 to 1995 have amounted to \$3 million and the opponents' total expenditure on advertising and promotion in the same period in the United Kingdom has amounted to more than \$250,000. No breakdown as per year is given.

### **Applicant's Evidence**

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This consists of a Statutory Declaration by Andrew Marshallsey Perrin, Managing Director of Crystal Holidays Limited. He states that he has been with the company since shortly after its inception in 1981 and has held the position of Marketing Director. The facts he sets out are extracted either from the company's records or come from his own knowledge.

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Mr Perrin states that the company was originally incorporated on 7 January 1981 as Shaws Holidays Limited but before commencing trading in February 1981 it changed its name to Crystal Holidays Limited. (In May 1981 it was acquired by the Viad Corp of Phoenix, Arizona but became independent again in October 1997 following a management buy out).

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Mr Perrin states that the CRYSTAL trade mark was first used by the company in May 1981 and has been used continuously since in relation to all the services claimed in the applications. In that connection he exhibits a range of the company's brochures for the years 1996/1997. Though this is after the relevant date in these proceedings I am prepared to accept that the documents shows the type of services provided within the relevant period (but not necessarily their range). He goes on to set out the company's products provided under the CRYSTAL name and the year when each was introduced, this ranges from ski, lakes and mountain holidays in 1981, Premier France in 1986, Premier Britain in 1989 and Premier Cities in 1990.

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Mr Perrin states that the company has experienced steady growth since it commenced in 1981 and that it now employs 350 people together with a network of overseas agents and tour representatives. The company has a seasonal team of approximately 1,100 self employed tour representatives throughout its operating areas. Within the United Kingdom the company operates from 6 sites and has bases in several overseas countries namely Austria, France, Canada, Italy, United States of America and Ireland. The turnover figures for the period from 1985 to 1991 was almost £102 million. From £4 million in 1985 to £32 million in 1991.

Mr Perrin states that the company sells a range of holiday products which are linked to and easily identifiable through the company's CRYSTAL brand and it is intended that this trade mark should represent a number of different things including the type of holiday on offer together with a range of professional and quality services offered by the provider. He goes on to relate the various methods used to promote the company's activities and products used under the CRYSTAL name and exhibits a range of brochures which have been used. The CRYSTAL name also appears on tickets, ticket wallets, luggage labels etc. which are sent to clients. Various items which show use of the trade mark CRYSTAL in this way are exhibited. He goes on to say that the media has played an important role in the advertising and promotion of the company's trade mark as has the idea of cross selling the CRYSTAL range of products on the back of each brochure so that every client of one particular product has been made aware of other possibilities to travel with the company. Again, exhibits are provided to illustrate the point.

Mr Perrin goes on to indicate other ways in which the term CRYSTAL has been used by the company. For example they run an award scheme known as Crystal Holiday Hotel Awards and in addition have themselves won awards as a result of polls run by leading Trade publications. The company is also a member of numerous trade associations and organisations and has been since 1981 a member of the Association of British Travel Agents and have held an air travel organisers licence since that time too.

### **Opponents' Evidence in Reply**

This consists of a further Statutory Declaration by Gregg L Michel which simply provides a commentary upon the Statutory Declaration of Mr Perrin.

### **DECISION**

In his skeleton argument, Mr Edenborough on behalf of the opponents abandoned the opposition based upon Sections 9, 10, 17 and 68 of the Act. I therefore need only consider the Ground of Opposition based upon Section 11. In addition, Mr Edenburgh made it clear that the opponents did not object to the applications per se but only insofar as the specification of services covered services for which the opponents have established use and reputation.

Section 11 of the Act states as follows:-

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

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As Mr Edenborough in his skeleton very neatly put it:-

"6. Dealing with the conflict with earlier rights first, the law with respect to a section 11 objection is settled and has been succinctly formulated by Evershed J in *Smith Hayden & Co Ltd's Application* (1946) 63 RPC 97 at 101 (as modified by Lord Upjohn in *Bali Trade Mark* [1969] RPC 472 at 496):

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"(a) (under section 11) 'Having regard to the [user of] the name "Hovis", is the court satisfied that the mark applied for, if used in a normal and fair manner in connection with any goods covered by the registration proposed, will not be reasonably likely to cause deception and confusion amongst a substantial number of persons?'"

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7. Further, the requirement that the deception and confusion be amongst a substantial number of person is a judicial gloss that needs to be properly and sensibly applied (as modified by Lord Upjohn in *BALI Trade Mark* [1969] RPC 472, Kerly 10-02, p145).

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8. Furthermore, in order to be successful under section 11, it is not necessary to be able to show that the Opponent would have succeeded in a passing-off action. Lord Upjohn in *BALI Trade Mark* [1969] RPC 472 at 495 said:

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"Section 11 and its forebears were designed not so much for the protection of other traders in the use of their marks or their reputation but for the protection of the public." (emphasis added).

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9. Moreover, it is often helpful to have in mind the judicial guidance set out in *De Cordova v Vick Chemical Co* (1951) 68 RPC 103 at 106, which reads:

"The likelihood of confusion or deception in such cases is not disproved by placing the two marks side by side and demonstrating how small is the chance of error in any customer who places his order for goods with both the marks clearly before him, for orders are not placed, or are often not placed, under such conditions. It is more useful to observe that in most persons the eye is not an accurate recorder of visual detail and that marks are remembered by general impressions or by some significant detail than by any photographic recollection of the whole." "

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In this case there was no dispute that the applicants had used the trade marks in suit on a range of travel services between 1981 and the date of application. There was also no dispute that the opponents had use of their trade mark CRYSTAL and CRYSTAL HARMONY prior to the date of the application for registration of the trade marks in suit. There was also no dispute that the respective trade marks of the applicants and the opponents were confusingly

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similar and that the applicants' specification of services covered those on which the opponents alleged they had used their trade mark. The matters therefore for determination are whether the use claimed by the opponents of their trade mark was use in the jurisdiction prior to the date of application for registration and if it was sufficient to suggest that use by the applicants of their trade mark would have the effect alleged (and thus that the application for registration should be restricted to services outwith those provided by the opponent).

There were lengthy submissions by both learned Counsel on what I should infer from the evidence provided by the parties. Not least because by the time the evidence was filed in these proceedings (1996) the opponents' use of their trade marks in respect of luxury cruise holidays was significant and the applicants had expanded their operations to include cruising. Therefore, it could be said that by the time the matter came to be decided each sides trade marks were being used in the market place alongside each other in the holiday market. Indeed the applicant was aware of the opponents', according to the evidence, they had threatened the latter with legal action and got them to place on later brochures a disclaimer. Mr Edinburgh submitted that I should regard the fact that no court action had taken place as the applicants acquiescence to the position. I take the view that I should not infer any such thing and must address the issues before me on the basis of the relevant evidence filed and that I must consider the position as at 9 September 1991 when the applications for registration were filed.

Quite rightly, in my view, Mr Engelman submitted that although under the Trade Marks Act 1938 (as amended) there was an onus on an applicant to show that a trade mark should be permitted to proceed to registration, when it came to Section 11 of the Act there was an onus upon an opponent to establish a sufficient level of reputation for the purposes of shifting the burden of proof on to the applicants. He referred me to *NOVA* [1968] RPC 357. He also referred me to *1-0800 FLOWERS INC v PHONE NAMES LTD* [1999], *EURO MARKET DESIGNS INC v PETERS & ANOTHER* July 2000 and Kerly 12th Edition page 153, para 10-10, in relation to authorities for the proposition that features in foreign publications do not have any impact in establishing reputation in the United Kingdom. In relation to that second matter I do not believe that the opponents were relying on brochures and publications produced for use in other markets but which might have found their way into the United Kingdom, as a substantial plank in their argument that they had use and therefore a reputation generally in the trade mark *CRYSTAL* in relation to cruise holidays at the date that their applications were filed. Therefore I do not need to address that matter further.

What I have established from the evidence is that the opponents authorised Paul Mundy Cruising Ltd (PMCL) to use their *CRYSTAL* trade marks in order to promote cruise holidays provided by Crystal Cruises Inc at a date some six months before the application in suit was made. There were some mailshots, some brochures were distributed; these were brochures produced for potential customers in the United States but which in my view could easily have been used here in the United Kingdom (with or without supplements). In that connection, PMCL may have spent £10,000 in 1991 undertaking the task. Also I am prepared to accept that sales of \$140,000 took place in that year through PMCL in respect of cruises provided by Crystal Cruises Inc.

The fact that PMCL was appointed as the opponents' agents is corroborated by a press article dated 24 January 1991 exhibited by Edwina Lonsdale as part of PM1. There are also internal



5 memoranda of PMCL, part of the same exhibit, which enable me to infer that. Those same documents and others in PM1 also enable me to infer that the opponents' brochure, together with factual information, was distributed to travel agents in the United Kingdom. But was that use of the CRYSTAL and CRYSTAL HARMONY trade marks sufficient to establish that the opponents had the required level of use and reputation to fix the onus on to the applicants to justify the registration of these trade marks?

10 Though I have been given no information on it by either party, the size of the holiday market at large and probably the cruise market, even in 1991, must have been significant. In that context the sum of £10,000 (assuming that the whole amount was spent in the period between March and September) would not appear to be a particularly significant amount of money to spend promoting a new service. Though as a result of this promotion a number of travel agents might have become aware of the opponents and their luxury cruises for the first time. As far as the results of this promotion are concerned, it generated sales of \$144,000. Mr Engelman cast doubt upon the reliability of this figure but I am prepared to infer that the sum is expressed as US\$ because that is the sum of money reported to the United States based provider of the service. But that sum of \$144,000 does not seem to me, again, to be a significant sum, even allowing for the fact that what was being provided was luxury cruises which would not be aimed at the majority of holiday makers. Indeed in some respects it makes it worse because the sum must represent a very small number of actual customers. Therefore in my view the sums of money spent promoting the opponents' services and the money charged for these services, even allowing for the fact that luxury cruises must only be a small part of the travel market are not significant. Not, in my view, sufficient amounts to generate much trade or public awareness and not sufficient to establish that the opponents' trade marks CRYSTAL and CRYSTAL HARMONY had become known in connection with the provisions of luxury cruises. In all of the circumstances, therefore, it seems to me that the opponents have not established that they have use of their trade marks in relation to luxury cruise holidays such as to be able to assert that if used in a normal and fair manner in connection with any of the services covered by the registration proposed, the applicants trade mark would be reasonably likely to cause deception and confusion amongst a substantial number of persons. That being so, the opposition under Section 11 must be dismissed.

35 The applicants have established that they, well before the date of application in this case, were providing a range of holiday services. I accept Mr Edenborough's submissions that these were principally based upon skiing holidays. But there had been extensions into other areas of the holiday market ie Premier France and Premier Cities, sufficient to suggest that their reputation even in 1991 based upon turnover of £102m extended beyond that particular niche. Therefore, in my view based upon the facts and evidence before me, anyone else using the term CRYSTAL and coming into the holiday services market at the date of this application was likely to be the cause of deception and confusion of the public, rather than the applicant. I, therefore, see no need to restrict the specification of services as suggested by the opponents by, essentially, excluding the applicants from providing any holiday services related to cruises under their trade mark, because I am not satisfied that at the date of application the opponents had established the necessary level of use and goodwill to support that action.

The opposition having been dismissed, the applicants are entitled to a contribution towards their costs. I therefore order the opponent to pay to the applicant the sum of £650 as a contribution towards their costs. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

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**Dated this 31 day of January 2001**

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**M KNIGHT**  
**For the Registrar**  
the Comptroller-General