

O-192-09

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL REGISTRATION NO. 831814
IN THE NAME OF
DALLI-WERKE GMBH & CO.KG
OF THE TRADE MARK**



IN CLASS 3

AND

**THE OPPOSITION THERETO
UNDER NO 71254
BY
SHERATON INTERNATIONAL, INC**

Trade Marks Act 1994

**In the matter of
international registration no. 831814
in the name of Dalli-Werke GmbH & Co. KG
of the trade mark:**



**in class 3
and the opposition thereto
under no. 71254
by Sheraton International, Inc**

Introduction

1. Dalli-Werke GmbH & Co. KG, which I will refer to as DW, is the holder of the above international registration (the 'IR'). Protection in the United Kingdom is sought from 14 July 2004, claiming a priority date of 11 March 2004 (Germany). The request for protection was published in the United Kingdom, for opposition purposes, in *The Trade Marks Journal* on 29 July 2005. Protection is sought in respect of the following goods and services, classified according to the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended:

Class 3 *Bleaching preparations and other substances for laundry use;
polishing, scouring and abrasive preparations; dentifrices.*

2. On 31 October 2005, Sheraton International, Inc, which I will refer to as Inc, filed notice of opposition to the protection of the entire international registration, raising grounds of opposition under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994.

3. To support the section 5(2) and 5(3) grounds, Inc relies upon the following earlier registrations: UK 2024298 and Community trade mark registration (CTM) 154500. Their details are as follows:

UK 2024298:

THE LUXURY COLLECTION

Class 41: *Musical and theatrical entertainment services, organisation of musical and theatrical entertainment services; provision and management of sports facilities and sporting events; organisation of sporting activities and competitions; casino and gaming services; motion picture and video rental services; provision of physical education and gymnastic facilities; production of shows; provision of recreational facilities; organisation of meetings and conferences; theatrical ticket agency services; organisation and provision of training facilities for sales and hotel staff; sports instruction services; organisation of and providing facilities for sporting events.*

Class 42: *Hotel services; restaurant, bar and catering services; food and beverage services; hotel reservation services; accommodation services; cafe and cafeteria services; canteen services; provision of facilities for exhibitions and fairs; provision of conference and meeting facilities; housekeeping services.*

CTM 154500:

THE LUXURY COLLECTION

Class 41: *Casino, gaming and gambling services; casino management; cabarets and discotheques; entertainment services; entertainment services featuring music, dancing, comedy, drama and magic shows; health clubs, beach and pool clubs; amusement parks, theme parks, amusement arcades, amusement centres; providing facilities for recreational activities; country club services; country clubs providing sporting facilities; provision of sports facilities; sports instruction services; arranging and conducting athletic events, athletic competitions and sports events; production of television and radio programmes; production of videos, movies, audio tapes, CD ROMS, discs, television shows and on-going television shows; rental of video cassettes, discs, CD-ROMS and electronic game equipment; conducting horse races; arranging and conducting of seminars; leisure services; organization of entertainment services; provision and management of sports facilities and sporting events; organization of sporting activities and competitions; motion picture and video rental services; provision of physical education and gymnastic facilities; production of shows; rental of radio and television receiving sets; organisation of meetings and conferences; theatrical ticket agency services; organization and provision of training facilities for sales and hotel staff; organization of facilities for sporting events; amusement and theme park services; all other services included in this class.*

Class 42: *Hotels, resort hotels, motels and guest house services; providing convention facilities; hotel management services; hotel reservation services; brokers ensuring hotel accommodation for travellers; restaurant, bar and catering services; cafes and nightclubs; hairdressing salons, skincare salons; spas; barber shops and beauty salons; hairdressing services; babysitting services; country clubs providing residential facilities; resort services; food and beverage services; accommodation services; security services relating to valuables; cafe and cafeteria services; canteen services; provision of facilities for exhibitions and fairs; provision of conference and meeting facilities; housekeeping services; photographer services; provision of translation services; vending machine rental services.*

UK 2024298 was applied for on 15 June 1995 and the date of completion of its registration process was 1 May 1998. CTM 154500 was applied for on 1 April 1996 and the date of completion of its registration process was 2 March 1999. Both are earlier trade marks which at the date of publication of the IR had been registered for more than five years. They are both therefore subject to proof of their use¹.

4. Inc claims that there is a likelihood of confusion between the goods of the IR and its own registered services (section 5(2)(b)) and that use of the IR would take unfair advantage of, or be detrimental to, the distinctive character or repute of its earlier registrations.

5. To support its ground under section 5(4)(a) of the Act, Inc relies upon its use of the sign THE LUXURY COLLECTION which it states has a very substantial reputation and goodwill in the UK for hotels and resorts. It states that THE LUXURY COLLECTION is also used physically upon and in relation to many of the products sold or provided to customers in the hotels, including toiletry items, shampoo, hair conditioner, shower caps, body lotions, shaving sets, makeup remover pads, bath crystals and other toiletry goods. I have been unable to ascertain a date of first use in the UK of the sign from the notice of opposition or the accompanying statement of case. Following correspondence between the Trade Mark Registry and the opponent, the statements of use in relation to the registrations were amended, but not it seems in relation to the claim made under section 5(4)(a). In its letter of 23 November 2006, Inc asked that the statements of use on pages 2, 3, 4 and 5 of the notice of opposition be amended. These pages relate to the grounds raised under sections 5(2)(b) and 5(3). The section 5(4)(a) ground appears on page 6.

6. The amended statement of use is as follows:

“The earlier mark has been used, since at least April 1 1996, in respect of all of the class 42 services covered by the earlier mark as set out in schedule 1 to the attached grounds of opposition and in respect of the following services in class 41:-

¹ See section 6A of the Act (added by virtue of the Trade Marks (Proof of Use, etc.) Regulations) 2004 (SI 2004/946) which came into force on 5th May 2004.

Motion picture and video rental services; provision of physical education and gymnastic facilities; provision of recreational facilities; organisation of meetings and conferences; theatrical ticket agency services; entertainment services; health clubs, beach and pool clubs; provision of sports facilities; rental of video cassettes, disks, CD ROMs and electronic game equipment; arranging and conducting of seminars; leisure services; organisation of entertainment services.”

7. DW filed a counterstatement, denying the opponent's claims. DW denies that any reputation which Inc may substantiate would permeate its market since their markets are completely different.

8. Both sides filed evidence. The parties were advised that they had a right to a hearing and that if neither side requested a hearing a decision would be made from the papers and from any written submissions. Neither side requested a hearing and whilst only DW filed written submissions, I have borne in mind Inc's statement of case in reaching my decision.

Inc's evidence

9. Claire Hutchinson, Inc's trade mark attorney, has filed a witness statement in order to bring into the proceedings an affidavit which is not headed for these proceedings. It has been made by Michael Dojlidko and Ms Hutchison states that Inc has indicated in writing that the affidavit constitutes the evidence it wishes to file in relation to this opposition. The affidavit is headed "For use in: United Kingdom" and refers to an opposition against 'application serial no. 3941775.'

10. Mr Dojlidko is Vice President and Assistant Secretary of Inc. He states that Inc is a subsidiary of Starwood Hotels and Resorts Worldwide, Inc ('Starwood') which operates primarily in the luxury end of the hotel market. As of 9 November 2005, Starwood operated more than 850 properties in more than 95 countries, with 145,000 employees. Mr Dojlidko says that THE LUXURY COLLECTION brand launched in January 1995, which was acquired by Starwood in 1998, who combined it with St. Regis Hotels & Resorts. Hotels in The Luxury Collection are unique, for example, 14th century palaces. They include Hotel Pulitzer in Amsterdam, The Phoenician in Arizona, Prince de Galles in Paris, Danieli in Venice, President Wilson in Geneva, Park Tower in Buenos Aires and The Maratha in Mumbai. Mr Dojlidko states that a worldwide THE LUXURY COLLECTION property list is attached to his affidavit as Exhibit A.

11. Exhibit A (unpaginated) is comprised of 74 pages from what appear to be several different brochure-style sources. It is not clear whether they are corporate publications for internal company use or whether they are available to the general public. They are undated and I have been unable to find instances of internal dating in the text. I would not describe Exhibit A as a worldwide THE LUXURY COLLECTION property list. There are lists and photos of hotels and their locations, names and facilities. The majority of the pages give details of individual named hotels with a web address such as "luxurycollection.com/phoenician". Only two hotels are in the UK (London) and only one of these appears to fall into The Luxury Collection bracket, according to the web address:

luxurycollection.com/parktowerlondon. The other appears to fall into the St.Regis brand bracket: stregis.com/lanesborough. There are 35 hotels in Europe which use the words 'luxury collection' in their web address, although all these hotels have individual names, as above.

12. On the first page of exhibit A (undated, unsourced) it says:

"The four horses of St. Mark's symbolize the timeless excellence, the legendary quality, the romance and the magnificence of the hotels and resorts of The Luxury Collection".

On page two, Inc (or Starwood) uses a four horse logo above the words THE LUXURY COLLECTION, which itself appears above the words STARWOOD HOTELS AND RESORTS, as below:



THE LUXURY COLLECTION

STARWOOD HOTELS & RESORTS

I have noted that the mark appears in the following context in exhibit A:

"For assistance with group and conference needs at any of The Luxury Collection hotels, kindly contact the Starwood global sales office nearest you."

13. Mr Dojlidko gives revenue and advertising figures "derived from THE LUXURY COLLECTION properties worldwide". These figures are all in United States dollars and are not particularised according to categories of goods or services, but are further broken down to revenue derived from, collectively, properties in Europe, Africa and the Middle East:

2004	\$375,000,000
2005	\$400,000,000
2006	\$450,000,000
2007	\$510,000,000

Mr Dojlidko states that more than €1,250,000 has been spent on advertising the mark 'worldwide'. He says, of the advertising:

“THE LUXURY COLLECTION brand has been heavily advertised in my Company’s press releases; direct mail pieces; in major magazines; and other publications, including *Virtuoso International Mexico*, *Leaders Magazine*, *Bentley Magazine*, *Food & Wine*, *Travel & Leisure*, *Panache*. Examples of said press releases and advertisements are attached as **Exhibit E**. In the UK, THE LUXURY COLLECTION brand has been advertised in the ‘Travel Sections’ of such established publications as the *Guardian*, *Observer*, *Times*, and *Telegraph*.”

There are no examples of any of these named publications in Exhibit E. This exhibit contains ten pages from what appear to be Inc’s brochures, of which the internal dating is 2003/2004. On all of these pages, the words THE LUXURY COLLECTION appear beneath the four horse logo shown in paragraph 12, above. In all but one case, the words ‘Starwood Hotels and Resorts’ appear below THE LUXURY COLLECTION. The remainder of the exhibit comprises a quantity of plain-typed pages in German, entitled ‘Presseinformation’. There are no translations and I therefore cannot say what their relevance is to the proceedings.

14. Exhibit D does contain extracts from magazines. These are to show a number of travel industry awards, including the *Condé Nast Traveler’s* Gold List, World’s Best Places to Stay. A cover page from ‘Travel + Leisure’ is dated March 2008 and appears to be directed at the Canadian/US market according to the cover pricing. It refers to Best Small Resort in Greece, ‘Mystique, A Luxury Collection Hotel’. Another page in the exhibit is entitled ‘Condé Nast Traveler 2005 Readers’ Choice Awards, These Luxury Collection properties were listed in the above awards:’. The list is of individual hotel names. A page entitled ‘methodology’ states that every year since 1998, a select sample of *Condé Nast Traveler* readers take the Readers Choice Survey, which are tabulated in New York. 34 hotels from The Luxury Collection were mentioned in the 2005 Gold List. The cover and extracts from the January 2005 edition of *Condé Nast Traveler* are exhibited (again, the cover pricing gives Canadian/US pricing). I note that the spelling of ‘traveler’ is American. Other pages do not mention Inc’s mark, but feature the names of individual hotels. A similar pattern is followed for evidence in this exhibit relating to awards for hotels with golf/spa facilities. The pages relating to the AAA Five Diamond Award and the Mobil Travel Guide Award refer to St. Regis, not The Luxury Collection.

15. Mr Dojlidko provides figures showing the number of ‘hits’ to its website www.luxurycollection.com. In 2004 there were 900,000 hits by UK residents and 13,800,000 worldwide; in 2005, there were 1,240,000 hits by UK residents and 17,300,000. There are no screen shots to show me how the mark is encountered in relation to the services once access has been achieved to the website. This sort of evidence can be useful in building a picture of how a mark has been used, but should be viewed with caution rather than taken as proof of use in isolation. ‘Hits’ do not equate to the number of visitors to a website or the number of views of a page. A hit is the number of items retrieved from a website; the more items there are on a

webpage, the more 'hits' the website receives. One visitor could generate a high number of hits.²

16. Mr Dojlidko states that Inc "began offering an amenity line under THE LUXURY COLLECTION" at its hotels in the UK in 1997, showing a number of pages at Exhibit F which he states range from 1997 to 2004. Those in exhibit G show products which he states are currently available at THE LUXURY COLLECTION branded properties in the UK (there are no dates on the exhibited pages). The items in exhibit F are:

- Soap
- Shower gel
- Shampoo
- Conditioner
- Hand and body lotion
- Shower cap
- Sewing kit
- Shoe mitt
- Make-up remover pads
- Make-up remover
- Shaving set
- Cotton buds
- Mouthwash
- Dental set
- Shoe horn
- Emery board
- Pencil lead
- Pencil propelling
- Pen regular
- Pen de luxe
- Teapot holder
- Fruit juice cover
- Tooth glass bag
- Cork screw
- Sweets
- Newspaper bag
- Cocktails stirrers
- Coaster, waxed
- Egg cosy
- Suntan lotion
- Valet bag
- Shoe bag
- Laundry bag
- Do not disturb sign
- Shirt bag
- Shopping bag
- Slippers

² See the *Cool Diamonds.com Limited* adjudication by the Advertising Standards Authority Council, 6 August 2008.

Some of the items appear with a mark as:



THE LUXURY COLLECTION

At first glance, some items appear with the words only, some with the four horses only (e.g. boxes of soap, soap and bottles of shampoo). Looking more closely at the photographs, I think it is possible that embossing has not shown in full the marks on the items. It is possible to see the four horses, for example, in reflections on the glass surface on which the bottles stand, which have been highlighted by the camera's flash. In exhibit G, the photographs are much clearer. They show



THE LUXURY COLLECTION

STARWOOD HOTELS & RESORTS

on bottles of shampoo, body lotion, and bath gel and foam, shower caps, shoe mitts, cotton buds, manicure set, make-up remover pads and soap. The other goods do not have the mark visible because of the manner in which they have been arranged.

17. The remaining exhibits (B, C, H and I) are lists of countries in which Inc's mark is pending or registered and examples of registration certificates. Mr Dojlidko refers to the items in these exhibits as showing THE LUXURY COLLECTION "trademark or its formatives".

DW's evidence

18. Tania Clark is DW's attorney in these proceedings. She has provided a witness statement which for the most part highlights various parts of Inc's evidence. She also refers to DW's other witness, Tim Dabin who is a corporate investigator.

19. Ms Clark's points can be summarised as:

- Only one of the hotels is in the UK: the Sheraton Park Tower in London.
- The revenue and advertising figures for 2004, 2005, 2006 and 2007 have not been itemised by country.

- Exhibit H includes CTM registration 5201066 which is not included in the notice of opposition and is not an earlier mark [it was filed on 17 July 2006].

20. Tim Dabin gives evidence in his witness statement that he is a full member of both the Institute of Professional Investigators and the Association of Certified Fraud Examiners. He is an associate member of the Institute of Trade Mark Attorneys. He was asked by Ms Clark on 8 July 2008 to conduct an investigation into use of the mark THE LUXURY COLLECTION by Inc and related companies. The main thrust of the investigation appears to have been to ascertain whether or not 'class 3 goods' were or are sold in Inc's hotels, specifically the London Sheraton Park Tower. Mr Dabin states that the website for this hotel provided (the report is dated 11 July 2008) photographs of the accommodation, one of which featured Molton Brown toiletries. These were also mentioned in the description provided for the Classic Room, Executive Room, Butler Room, Penthouse Suites, Executive Suite and Butler suite. A search of the website and also of the world wide web did not reveal any references to toiletries for THE LUXURY COLLECTION. Mr Dabin pursued this line of enquiry, telephoning the Sheraton Park Tower to ask about availability of toiletries under THE LUXURY COLLECTION brand. The hotel shop manager confirmed that the shop did not sell them, being only available in guest bedrooms. The head of housekeeping said that THE LUXURY COLLECTION toiletries were not for retail sale but were simply complementary toiletries for hotel bedrooms. She confirmed that Molton Brown toiletries were provided in the top tier hotel rooms, but that all other rooms were provided with THE LUXURY COLLECTION toiletries.

Relevant dates

21. For the purposes of sections 5(2)(b) and 5(3), the relevant date is the date of application. For section 5(4)(a), the relevant date is the also the date of application³. The material date in these proceedings is 11 March 2004, the date the IR was filed. The date position is different, however, for assessing whether Inc's trade mark registrations can satisfy the proof of use regulations and therefore be founded upon for sections 5(2)(b) and 5(3). As stated in paragraph 3, both Inc's earlier registrations are subject to the proof of use provisions. In both cases, the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication of the IR (see section 6A(1)(c)). UK 2024298 completed its registration procedures on 1 May 1998 and CTM 154500 did so on 2 March 1999. The IR was published on 29 July 2005. Inc needs to satisfy the use conditions in the five years prior to and ending on 29 July 2005. For these purposes, evidence which is dated post-11 March 2004 (but before or on 29 July 2005) can be considered. However, evidence which goes to the reputation or goodwill of Inc after 11 March 2004 is unlikely to assist in assessing the success or failure of the grounds of opposition as at this date. As can be seen from the evidence summary, several exhibits and revenue/advertising figures fall into this category.

³ *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Joined Cases T-114/07 and T-115/07.*

Proof of use

22. Section 6A of the Trade Marks Act 1994 states:

“6A Raising of relative grounds in opposition proceedings in case of non-use

- (1) This section applies where—
 - (a) an application for registration of a trade mark has been published,
 - (b) there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and
 - (c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.
- (2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.
- (3) The use conditions are met if—
 - (a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
 - (b) the earlier trade mark has not been so used, but there are proper reasons for non-use.
- (4) For these purposes—
 - (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
 - (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.
- (5) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.
- (6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.
- (7) Nothing in this section affects—

- (a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or
- (b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

23. I must apply the proof of use provisions to Inc’s registrations to determine whether they have been put to genuine use and can be relied upon in these proceedings. As already stated, the relevant period is the five year period ending on the date of publication in the UK of the IR (29 July 2005), which means it runs from 30 July 2000 until 29 July 2005. Within this period, UK 2024298 must have been put to genuine use in the UK and CTM 154500 must have been put to genuine use in the European Community (EU), or that there must be proper reasons for non-use. Use must be in a form differing in elements which do not alter the distinctive character of the marks in the form in which they were registered. If genuine use is found only in respect of some of the services of Inc’s registrations, only those services may be relied upon for the purposes of this opposition. In this regard, Inc’s evidence in relation to the class 3 goods cannot be taken into account. Inc’s registrations are in classes 41 and 42.

24. Section 100 of the Act states:

“100. 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.”

The onus is upon Inc to prove that it has made genuine use of its trade mark registrations, or that there are proper reasons for non-use. Exhibits B, C, H and I do not assist as they simply show that trade mark applications or registrations exist. Exhibits F and G also do not assist, relating entirely to class 3 goods. I must make my assessment as to genuine use on the basis of what Inc shows in its evidence: Mr Dojlidko’s affidavit and its accompanying exhibits A, D and E.

25. Exhibit A is entirely undated, both in terms of identification by Mr Dojlidko and also in the absence of any internal textual dates. It cannot be relied upon to demonstrate genuine use of THE LUXURY COLLECTION in the five years ending 29 July 2005.

26. The advertising figures are ‘worldwide’ and are, in any case, stated as being ‘since 2005’. Revenue figures are given for 2005-2007. Only 2004 clearly falls within the relevant period for consideration. However, the figure is not particularised at all with respect to the services and is in US dollars. Mr Dojlidko states that “THE LUXURY COLLECTION brand derives significant revenue from properties located in Europe, Africa and the Middle East”. This does not tell me what use has been made in the European Union or the UK.

27. Mr Dojlidko refers to various publications in respect of advertisements for the mark, but does not exhibit them. In relation to the awards, exhibit D contains

material from 2008, which cannot be considered. The Condé Nast Traveler's Gold List 2005 Readers' Choice Award may be within date (depending upon when the survey was carried out). However, although several European hotels are listed, I do not know where the survey was carried out or where those who rated the hotels are domiciled. Things are further complicated by the fact that the hotels are known by their individual names. This does not tell me that the mark is used in the Europe or the UK; it could be that in Venice the hotel concerned is called Hotel Danieli and that there is no reference there to THE LUXURY COLLECTION. The fact that 'traveler' is an Americanism and that the cover pricing is US/Canadian could indicate that it is in the US and Canada that the mark is used, rather than at the hotel itself. I am left to speculate due to Inc's failure to explain its evidence properly.

28. Apart from the untranslated pages in German, Exhibit E contains ten pages of which the internal dating puts them within the relevant period; it is not explained what the source of these pages is, but it looks as though they are from Inc's brochures. These are pages which, in all but one, Inc's mark appears sandwiched between its four horse logo and the words Starwood Hotels & Resorts. One of the considerations of genuine use is that the use must be in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered.

29. In *Anheuser-Busch Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-191/07*, the Court of First Instance (CFI) gave a summary of the genuine use criteria:

"99 In interpreting the concept of genuine use, account should be taken of the fact that the ratio legis of the requirement that the earlier mark must have been put to genuine use if it is to be capable of being used in opposition to a trade mark application is to restrict the number of conflicts between two marks, in so far as there is no sound economic reason resulting from an actual function of the mark on the market (Case T-174/01 *Goulbourn v OHIM – Redcats (Silk Cocoon)* [2003] ECR II-789, paragraph 38). However, the purpose of the provision is not to assess commercial success or to review the economic strategy of an undertaking, nor is it intended to restrict trade-mark protection to the case where large-scale commercial use has been made of the marks (Case T-203/02 *Sunrider v OHIM – Espadafor Caba (VITAFRUIT)* [2004] ECR II-2811, paragraph 38, and judgment of 8 November 2007 in Case T-169/06 *Charlott v OHIM – Charlo (Charlott France Entre Luxe et Tradition)*, not published in the ECR, paragraph 33).

100 There is genuine use of a trade mark where the mark is used in accordance with its essential function, which is to guarantee the identity of the origin of the goods or services for which it is registered, in order to create or preserve an outlet for those goods or services; genuine use does not include token use for the sole purpose of preserving the rights conferred by the registration (Case C-234/06 P II *Ponte Finanziaria v OHIM* [2007] ECR I-7333, paragraph 72; see also, by analogy, Case C-40/01 *Ansul* [2003] ECR I-2439, paragraph 43). In that regard, the condition of genuine use of the mark requires that the mark, as protected on the relevant territory, be used publicly and externally (*Silk Cocoon*, paragraph 99 above, paragraph 39; *VITAFRUIT*,

paragraph 99 above, paragraph 39; Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 34; see also, by analogy, Ansul, paragraph 37).

101 When assessing whether use of the trade mark is genuine, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is real, particularly whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark, the nature of those goods or services, the characteristics of the market and the scale and frequency of use of the mark (VITAFRUIT, paragraph 99 above, paragraph 40; Charlott France Entre Luxe et Tradition, paragraph 99, paragraph 35; see also, by analogy, Ansul, paragraph 100, paragraph 43).

102 As to the extent of the use to which the earlier trade mark has been put, account must be taken, in particular, of the commercial volume of the overall use, as well as of the length of the period during which the mark was used and the frequency of use (VITAFRUIT, paragraph 99 above, paragraph 41, and Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 36).

103 The question whether use is sufficient to maintain or create market share for the goods or services protected by the mark thus depends on several factors and on a case-by-case assessment. The characteristics of those goods and services, the frequency or regularity of the use of the trade mark, whether the mark is used for the purpose of marketing all the identical goods or services of the proprietor or merely some of them, or evidence of use which the proprietor is able to provide, are among the factors which may be taken into account (Case C-416/04 P Sunrider v OHIM [2006] ECR I-4237, paragraph 71).

104 To examine whether an earlier trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case (VITAFRUIT, paragraph 99 above, paragraph 42; Charlott France Entre Luxe et Tradition, paragraph 99 above, paragraph 37; see also, by analogy, Ansul, paragraph 100 above, paragraph 39).

105 Moreover, the Court of First Instance has held that genuine use of a trade mark could not be proved by means of probabilities or suppositions, but had to be demonstrated by solid and objective evidence of effective and sufficient use of the trade mark on the market concerned (Case T-39/01 Kabushiki Kaisha Fernandes v OHIM – Harrison (HIWATT) [2002] ECR II-5233, paragraph 47).”

The last paragraph quoted here captures the problem facing Inc in relation to proving genuine use on the basis of the evidence it has filed in these proceedings. The revenue figures are unparticularised as to territory or service; exhibits are undated or post-dated and there are no invoices or evidence of custom. Inc cannot prove genuine use by means of probabilities or suppositions; it has not shown solid and

objective evidence. Mr Dojlidko's evidence appears to have been previously filed in proceedings in another territory for class 3 goods. Class 3 goods are irrelevant to the matter of genuine use in these proceedings because Inc's registrations upon which it relies are not in class 3. A further problem is the distinct lack of the mark as registered in the evidence; it appears time and again with the four horse logo and the Starwood branding. That is not to say that trade marks cannot be found to have been genuinely used when they appear with another trade mark, as is common in the motor and wine trades.⁴ In the instant case, it could be argued that the effect of placing a distinctive logo of four horses above the words THE LUXURY COLLECTION in relation to hotel-related services affects the distinctive character of the words, creating the impression that they are a descriptor of the standard of comfort of the services rather than a sub-brand, as in *Castellblanch*. Within the context of the use Inc has filed, THE LUXURY COLLECTION is a descriptor and so does not fulfil the essential function of a trade mark; it is not genuine use as a trade mark. However, I consider that, even without the added complication of the differing form of the mark as registered in the evidence (or 'formative' trade mark, as Mr Dojlidko describes it), I have difficulty in reaching a view that Inc has met the tests, as laid down by the European courts, for establishing genuine use in Europe and the UK.

30. Inc has failed to prove that the use conditions are met for any of the services for the five years preceding the date of publication of the IR. It cannot rely upon UK 2024298 or CTM 154500 to support its grounds of opposition under sections 5(2)(b) and 5(3) of the Act.

31. In case I am wrong in this regard, I will look at these grounds before going on to decide the section 5(4)(a) ground.

4 See the judgment of the CFI in *Castellblanch SA v OHIM T-29/04* [2005] ECR II-5309: "33 In the contested decision the Board of Appeal found that there is no precept in the Community trade mark system that obliges the opponent to prove the use of his earlier mark on its own, independently of any other mark. According to the Board of Appeal, the case could arise where two or more trade marks are used jointly and autonomously, with or without the name of the manufacturer's company, as is the case particularly in the context of the automobile and wine industries.

34 That approach must be followed. The situation is not that the intervener's mark is used under a form different to the one under which it was registered, but that several signs are used simultaneously without altering the distinctive character of the registered sign. As OHIM rightly pointed out, in the context of the labelling of wine products joint affixing of separate marks or indications on the same product, in particular the name of the winery and the name of the product, is a common commercial practice."

Section 5(2)(b) – likelihood of confusion

32. This section 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 marks 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.”

On 27 April 2006, the European Court of Justice (ECJ) handed down a reasoned Order disposing of the appeal in Case C-235/05P *L’Oreal SA v. OHIM*. The relevant legal principles, drawn principally from the Court’s earlier judgments in *Sabel* [1998] RPC 199, *Lloyd Schuhfabrik Meyer* [2000] FSR 77 and *Canon* [1999] RPC 117 are set out in that Order, the relevant part of which is re-produced below:

“34 It is settled case-law that likelihood of confusion on the part of the public must be assessed globally, taking into account all factors relevant to the circumstances of the case (see, to that effect, Case C-251/95 *SABEL* [1997] ECR I-6191, paragraph 22; Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 18; and order of 28 April 2004 in Case C-3/03 P *Matratzen Concord v OHIM* [2004] ECR I-3657, paragraph 28).

35 That global assessment implies some interdependence between the relevant factors, and in particular a similarity between the trade marks and between the goods or services covered. Thus, a lesser degree of similarity between those goods or services may be offset by a greater degree of similarity between the marks, and vice versa. Accordingly, it is necessary to give an interpretation of the concept of similarity in relation to the likelihood of confusion, the assessment of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services covered (see *Canon*, paragraph 17, and *Lloyd Schuhfabrik Meyer*, paragraph 19).

36 In that regard, as the more distinctive the earlier mark, the greater the risk of confusion (*SABEL*, paragraph 24), marks with a highly distinctive character, either *per se* or because of the reputation they possess on the market, enjoy broader protection than marks with a less distinctive character (see *Canon*, paragraph 18, and *Lloyd Schuhfabrik Meyer*, paragraph 20).

40 In the first place, it is settled case-law that in order to assess the degree of similarity between the marks concerned, it is necessary to determine the degree of visual, aural or conceptual similarity between them and, where appropriate, to determine the importance to be attached to those different elements, taking account of the category of goods or services in question and the circumstances in which they are marketed (see *Lloyd Schuhfabrik Meyer*, paragraph 27).

41 In addition, the global assessment of the likelihood of confusion must, as regards the visual, aural or conceptual similarity of the marks in question, be based on the overall impression created by them, bearing in mind, in particular, their distinctive and dominant components. The perception of the marks in the mind of the average consumer of the goods or services in question plays a decisive role in the global assessment of the likelihood of confusion (see *SABEL*, paragraph 23, *Lloyd Schuhfabrik Meyer*, paragraph 25, and the order in Case C-3/03 P *Matratzen Concord v OHIM*, paragraph 29)."

Comparison of goods and services

33. Following the established tests in *Canon* and also in *British Sugar Plc v James Robertson & Sons Limited (Treat)* [1996] R.P.C. 281, I must consider the nature of the goods and services, their intended purpose, their method of use, whether the goods or services are in competition with or complementary to each other and also the nature of the users and the channels of trade. The criteria identified in the *Treat* case for assessing similarity between goods and services were:

- (a) the respective uses of the respective goods or services;
- (b) the respective users of the respective goods or services;
- (c) the physical nature of the goods or acts of service;
- (d) the respective trade channels through which the goods or services reach the market;
- (e) in the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) the extent to which the respective goods or services are competitive, taking into account how goods/services are classified in trade.

I also bear in mind that in *Avnet Incorporated v Isoact Limited* [1998] F.S.R. 16 Jacob J held 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.”

Neither should specifications be given an unnaturally narrow meaning, as per *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000]. In *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32, although in the context of a non-use issue, the court considered interpretation of specifications:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”.

34. The specifications to be compared are:

Inc's registrations	DW's IR
<p>UK 2024298</p> <p><u>Class 41:</u> Musical and theatrical entertainment services, organisation of musical and theatrical entertainment services; provision and management of sports facilities and sporting events; organisation of sporting activities and competitions; casino and gaming services; motion picture and video rental services; provision of physical education and gymnastic facilities; production of shows; provision of recreational facilities; organisation of meetings and conferences; theatrical ticket agency services; organisation and provision of training facilities for sales and hotel staff; sports instruction services; organisation of and providing facilities for sporting events.</p> <p><u>Class 42:</u> Hotel services; restaurant, bar and catering services; food and beverage services; hotel reservation services; accommodation services; cafe and cafeteria services; canteen services;</p>	<p><u>Class 3:</u> Bleaching preparations and other substances for laundry use; polishing, scouring and abrasive preparations; dentifrices.</p>

provision of facilities for exhibitions and fairs; provision of conference and meeting facilities; housekeeping services.

CTM 154500

Class 41: Casino, gaming and gambling services; casino management; cabarets and discotheques; entertainment services; entertainment services featuring music, dancing, comedy, drama and magic shows; health clubs, beach and pool clubs; amusement parks, theme parks, amusement arcades, amusement centres; providing facilities for recreational activities; country club services; country clubs providing sporting facilities; provision of sports facilities; sports instruction services; arranging and conducting athletic events, athletic competitions and sports events; production of television and radio programmes; production of videos, movies, audio tapes, CD ROMS, discs, television shows and on-going television shows; rental of video cassettes, discs, CD-ROMS and electronic game equipment; conducting horse races; arranging and conducting of seminars; leisure services; organization of entertainment services; provision and management of sports facilities and sporting events; organization of sporting activities and competitions; motion picture and video rental services; provision of physical education and gymnastic facilities; production of shows; rental of radio and television receiving sets; organisation of meetings and conferences; theatrical ticket agency services; organization and provision of training facilities for sales and hotel staff; organization of facilities for sporting events; amusement and theme park services; all other services included in this class.

Class 42: Hotels, resort hotels,

<p>motels and guest house services; providing convention facilities; hotel management services; hotel reservation services; brokers ensuring hotel accommodation for travellers; restaurant, bar and catering services; cafes and nightclubs; hairdressing salons, skincare salons; spas; barber shops and beauty salons; hairdressing services; babysitting services; country clubs providing residential facilities; resort services; food and beverage services; accommodation services; security services relating to valuables; cafe and cafeteria services; canteen services; provision of facilities for exhibitions and fairs; provision of conference and meeting facilities; housekeeping services; photographer services; provision of translation services; vending machine rental services.</p>	
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Although CTM 154500 in class 41 includes “all other services included in this class”, the statement of use is only in respect of motion picture and video rental services; provision of physical education and gymnastic facilities; provision of recreational facilities; organisation of meetings and conferences; theatrical ticket agency services; entertainment services; health clubs, beach and pool clubs; provision of sports facilities; rental of video cassettes, disks, CD ROMs and electronic game equipment; arranging and conducting of seminars; leisure services; organisation of entertainment services.” I also note that in DW’s written submissions, its attorney refers to the IR (“application”) as covering bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumeries, essential oils, cosmetics, hair lotions; and dentifrices. This is the original specification for which protection in the UK was sought, but which was reduced to ‘bleaching preparations and other substances for laundry use; polishing, scouring and abrasive preparations; dentifrices’ following an ex parte hearing at examination stage. I will compare Inc’s registrations (for the limited class 41 specification) with the reduced specification of DW because the reduced specification is that which was published for opposition purposes. The deleted goods cannot be re-introduced.

35. DW submits that there is no similarity between the goods and services because the examination cross-searching format used by the Trade Mark Registry does not include cross-searching between services in classes 41/42 nor between any service classes as concerns goods in class 3. Further, DW submits that Inc’s marks were not raised as relative grounds objections during examination and that the preliminary indication during the course of these proceedings stated that there was no similarity between the specifications. The latter has no bearing on the assessment I must

make, as per the comments of Lindsay J in *esure Insurance Limited v Direct Line Insurance plc* [2007] EWHC 1557 (Ch). The lack of relative grounds objection at examination stage has no bearing either and the cross-search list is used as an examination tool in order to restrict the huge volume of searching which would otherwise have to be undertaken.

36. Applying the legal principles referred to above, I struggle to see any similarity between Inc's services and the limited goods of DW. They are not complementary (in the sense that the one is not necessary for the other) nor are they in competition. While the users may be the same (the general public), the uses are not the same or similar. The nature is different and the way the services are selected or reach the market is not similar; the goods may be selected from shelves in a supermarket, while the services are not purchased in this way. Hotel guests may well use complementary (in the sense of provided for free) dentifrices, but that would be to distort the core meaning of Inc's services in the extreme to suggest that the specifications could stretch to similarity with those goods. The ECJ said in *Waterford Wedgwood plc v OHIM Case C-398/07*:

"30 According to established case-law, the likelihood of confusion on the part of the public must be assessed globally, taking into account all the relevant factors of the case in hand (see, to that effect, *SABEL*, paragraphs 22, and Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 18).

31 That global assessment of the likelihood of confusion implies some interdependence between the factors taken into account and, in particular, between the similarity of the trade marks and that of the goods or services concerned. Accordingly, a low degree of similarity between the goods or services covered may be offset by a high degree of similarity between the marks, and vice versa. The interdependence of those factors is expressly referred to in the 7th recital of Regulation No 40/94, according to which the concept of similarity is to be interpreted in relation to the likelihood of confusion, the assessment of which depends, in particular, on the recognition of the trade mark on the market and the degree of similarity between the mark and the sign and between the goods or services designated (see, by way of analogy, *Canon*, paragraph 17, and *Lloyd Schuhfabrik Meyer*, paragraph 19).

32 Moreover, given that the more distinctive the earlier mark, the greater will be the likelihood of confusion (*Sabel*, paragraph 24), marks with a highly distinctive character, either per se or because of the recognition of them on the market, enjoy broader protection than marks with a less distinctive character (see *Canon*, paragraph 18, and *Lloyd Schuhfabrik Meyer*, paragraph 20).

33 It follows that there may be a likelihood of confusion, notwithstanding a low degree of similarity between the trade marks, where the goods or services covered by them are very similar and the earlier mark is highly distinctive (see, to that effect, *Canon*, paragraph 19, and *Lloyd Schuhfabrik Meyer*, paragraph 21).

34 However, the interdependence of those different factors does not mean that the complete lack of similarity can be fully offset by the strong distinctive

character of the earlier trade mark. For the purposes of applying Article 8(1)(b) of Regulation No 40/94, even where one trade mark is identical to another with a particularly high distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered. In contrast to Article 8(5) of Regulation No 40/94, which expressly refers to the situation in which the goods or services are not similar, Article 8(1)(b) of Regulation No 40/94 provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar (see, by way of analogy, *Canon*, paragraph 22).

35 It must be noted that the Court of First Instance, in paragraphs 30 to 35 of the judgment under appeal, carried out a detailed assessment of the similarity of the goods in question on the basis of the factors mentioned in paragraph 23 of the judgment in *Canon*. However, it cannot be alleged that the Court of First Instance did not take into account the distinctiveness of the earlier trade mark when carrying out that assessment, since the strong reputation of that trade mark relied on by Waterford Wedgwood can only offset a low degree of similarity of goods for the purpose of assessing the likelihood of confusion, and cannot make up for the total absence of similarity. Since the Court of First Instance found, in paragraph 35 of the judgment under appeal, that the goods in question were not similar, one of the conditions necessary in order to establish a likelihood of confusion was lacking (see, to that effect, *Canon*, paragraph 22) and therefore, the Court of First Instance was right to hold that there was no such likelihood.”

Despite the close similarity between the marks themselves, the goods and services are dissimilar. Inc cannot succeed under 5(2)(b) where there is dissimilarity of goods and services. The section 5(2)(b) ground fails.

37. Inc also cannot succeed in its grounds of opposition under section 5(3) of the Act. This section 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.”

For this ground, Inc must first establish that “a significant part of the public concerned by the products or services covered”⁵ have knowledge of the THE LUXURY COLLECTION trade mark in respect of the services of the specifications ; it has not done so and I cannot go any further without evidence of a *Chevy*-type of reputation. The ground under section 5(3) also fails.

⁵ *General Motors Corporation v Yplon SA* Case C-375/97 [2000] RPC 572

Section 5(4)(a)

38. Earlier in this decision I postulated that Inc had not entered a date of first use in the UK in its original notice of opposition and statement of case. Its amended statement of use appears to relate to the grounds of opposition under sections 5(2)(b) and 5(3), not section 5(4)(a). Although mentioned in correspondence by DW's attorneys, it seems that the Registry took a different view (i.e. that the amended statement of use covered section 5(4)(a) as well as 5(2)(b) and 5(3)) and this was not challenged further by DW. In its statement of case, Inc states:

"The opponent also contends that by virtue of the very substantial reputation and goodwill established in the United Kingdom in THE LUXURY COLLECTION mark, registration of the opposed application is contrary to the provisions of section 5(4)(a) of the Act as use of the opposed mark would pass off goods as those of the opponent. The reputation and goodwill relied upon is referred to in general terms in paragraph 4 above. The opponent has made very substantial use of THE LUXURY COLLECTION mark on hotel and associated services and, as a result of this use, it is a well known mark in the United Kingdom. The trade mark THE LUXURY COLLECTION is also used physically upon and in relation to many of the products sold or provided to customers in the opponent's hotel including toiletry items, shampoo, hair conditioner, shower caps, body lotions, shaving sets, make up remover pads, bath crystals and other toiletry goods."

Paragraph 4 does not contain a date of first use (anywhere in the world). It refers to Inc's reputation with regard to hotel services. In view of the ambiguity surrounding the confirmation of the amendments to the opposition, I consider it appropriate to deal with the section 5(4)(a) ground.

39. Section 5(4)(a) of the Act states:

"4) 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,"

40. The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

"The law of passing off can be summarised in one short general proposition-- no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which

his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

41. The first hurdle is for Inc to prove it has goodwill attached to the class 3 goods in the mind of the purchasing public by association with THE LUXURY COLLECTION. Although over a century old, the concept of goodwill as explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223 still holds:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start.”

42. Whether Inc has the necessary goodwill has to be deduced from the evidence it has filed. There is no magic evidential formula by which goodwill is established; see to that effect *Reef Trade Mark* [2002] RPC 19, Pumfrey J; *Loaded Trade Mark*, O/191/02 (Appointed Person); and *Phones 4u Ltd v Phone4u.co.uk. Internet Ltd* [2007] RPC 5, Jacob LJ. In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat), Floyd J built upon Pumfrey J's observations in *Reef Trade Mark*:

“8 Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

43. Inc has provided exhibits in relation to class 3 ‘toiletry’ goods and a statement with its notice of opposition that these goods are “sold or provided to customers in the opponent's hotel”. I note that ‘hotel’ is singular, and must assume that it is meant to be singular to reflect the fact that the evidence shows that only one hotel in the UK uses the sign THE LUXURY COLLECTION. The hotel in question is the Sheraton Park Tower, in London. Use in only one retail outlet or location could be said to limit *de facto* the exposure of the mark to the relevant public (the general public). I have no idea how big the hotel is, the annual number of guests, or in how many (bath)rooms the goods are placed; both Inc's and DW's evidence suggests that the top tier or ‘executive’ rooms and suites use items with other trade marks upon them. Further, although the statement of case refers to the goods being ‘sold’ in the hotel,

there is no evidence of any sale. DW's evidence from Tim Dabin indicates that these are complementary items. Mr Dojlidko states that Inc "began offering an amenity line under THE LUXURY COLLECTION" at its hotels in the UK in 1997". Offering is not the same as selling; if there had been sales invoices, it would have been more acceptable to infer that 'offering' meant 'selling'. Inc's two exhibits which relate to goods are undated and show the mark in its composite ('formative') form used on goods of which the closest in terms of the IR's specification is the dental set. The problems here for Inc are:

- only one UK outlet
- no evidence of sale on goods/complementary goods
- exhibits are undated
- other trade mark matter on goods and services/low in distinctive character
- distance between services and goods and between toiletries and the IR's goods

44. If there is any UK goodwill in the sign THE LUXURY COLLECTION, it relates to hotel services. There are too many chasms in the evidence to support a finding, prima facie, that Inc has goodwill in the sign such that it extends to the goods of the IR as at 11 March 2004. In the absence of evidence to the contrary, Inc has not shown that use of the sign has displaced the normal descriptive meaning of THE LUXURY COLLECTION, causing it to become attached to Inc through goodwill⁶. Since Inc has failed to show proof of goodwill, its claim under section 5(4)(a) cannot succeed.

Costs

45. The opposition having failed, DW is entitled to a contribution towards its costs. DW commissioned Tim Dabin's investigative report into Inc's position in relation to class 3 goods which would have been, arguably, unnecessary had the section 5(4)(a) pleading and the evidence been properly framed. However, the remainder of DW's evidence was really submission and the award reflects this. DW has asked for costs off the scale for, amongst other reasons, the six extensions of time which Inc requested before filing its evidence. I note that Inc was granted 11 months on top of the initial statutory period of 3 months: a total of 14 months to file its evidence. This seems disproportionate to the standard of evidence eventually filed. Although DW did not request an interim hearing at which to argue for refusal of any of the extension of time requests, it did write to highlight the inadequacies of the requests. In the circumstances, I consider that the costs award at this substantive stage should include an amount relating to the extensions of time.

⁶ See *Cellular clothing Company v. Maxton and Murray* [1899] 16 RPC 397, Lord Davey: "...a man who takes upon himself to prove that the words, which are merely descriptive or expressive of the quality of the goods, have acquired the secondary sense to which I have referred, assumes a much greater burden, and indeed, a burden which it is not impossible, but at the same time, extremely difficult to discharge – a much greater burden than that of a man who undertakes to prove the same thing of a word not significant and not descriptive, but what has been compendiously called a "fancy" word."

Considering notice of opposition	£200
Statement of case in reply	£300
Evidence	£300
Extensions of time	£200
Written submissions	£200
Total	£1200

46. Accordingly, I order Sheraton International, Inc to pay to Dalli-Werke GmbH & Co. KG the sum of £1200. 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.

Dated this 9th day of July 2009

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