

O/550/19

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3278804

**IN THE NAME OF MANHATTAN LOFT CORPORATION LIMITED FOR THE
TRADE MARK**

HH HOTELS

IN CLASS 43

AND

THE OPPOSITION THERETO UNDER NUMBER 412679

BY

NH HOTEL GROUP S.A.

Background

1. On 21 December 2017, Manhattan Loft Corporation Limited (“the applicant”) applied for the trade mark HH HOTELS for services in class 43:

Services for providing temporary accommodation; hotel services; services for providing food and drink; information and advisory services relating to all the aforementioned services.

2. The trade mark application was published for opposition purposes in the *Trade Marks Journal* on 16 March 2018. It was opposed under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) by NH Hotel Group S.A. (“the opponent”), which relies upon the following three earlier trade mark registrations for its ground under sections 5(2)(b):

(i) European Trade Mark 12230199



The European Union Intellectual Property Office register records a description: “blue”.

Class 43: *Services for providing food and drink; Temporary accommodation; accommodation agencies (hotels, boarding-houses); Rental of temporary accommodation; Rental of tents; Rental of transportable buildings; Rental of facilities for meetings, conferences, exhibitions, shows, conventions, seminars, symposiums and training workshops; Rental of chairs, tables, table linen, glassware; Tourist homes; Providing campground facilities; Day-nurseries [crèches]; Hotel services; Motel services; Temporary accommodation reservations; Hotel reservations; Boarding house bookings; Boarding for animals; Retirement homes; Self-service restaurants; Bar services; Snack-bars; Cafés; Cafeterias; Catering; Canteen services.*

Date of filing: 17 October 2013; completion of registration procedure: 12 March 2014.

(ii) EUTM 14800999



The EUIPO register records a description: “blue, white”.

Relying on the class 43: *Services for providing food and drink; Temporary accommodation; Hotel services; Hotel room booking services and Other temporary accommodation; Rental and booking of hotels and guesthouses; Accommodation bureaux for hotels; Accommodation in hotels, motels and tourist resorts; Rental of facilities for meetings, conferences, exhibitions, shows, conventions, seminars, symposiums and training workshops; Services for preparing food and drink; Restaurant, bar and catering services; Rental of tents; Rental of portable buildings; Rental of chairs, tables, table linen, glassware.*

Date of filing: 16 November 2015; completion of registration procedure: 20 April 2016.

(iii) EUTM 13135264

NH | HOTEL GROUP

Class 43: *Services for providing food and drink; Temporary accommodation; accommodation agencies (hotels, boarding-houses); Rental of temporary accommodation; Rental of cooking apparatus; Rental of tents; Rental of portable buildings; Rental of drinking water dispensers; Rental of meeting rooms; Rental of chairs, tables, table linen, glassware; Tourist homes; Providing campground facilities; Day-nurseries [crèches]; Hotels; Motels; Room reservation services; Hotel reservations; Boarding house bookings; Animal boarding; Retirement homes; Self-*

service restaurants; Bar services; Snack-bars; Cafeterias; Cafeterias; Catering services for the provision of food; Canteens.

Date of filing: 1 August 2014; completion of registration procedure: 11 December 2014.

3. The opponent claims that there is a likelihood of confusion under section 5(2)(b) owing to the similarity between the marks and the identity and similarity between the services.

4. The applicant filed a defence and counterstatement, admitting that the services are identical and/or highly similar, but denying a likelihood of confusion because of the differences between the marks.

5. The opponent is represented by Page, White & Farrer Limited, whilst the applicant is represented by Withers & Rogers LLP. The opponent filed evidence and the applicant filed submissions. Neither party chose to be heard, but both filed written submissions in lieu of a hearing.

6. The opponent's evidence comes from Ramon Marín, the opponent's CEO. Mr Marín's witness statement is undated, although I note that it was filed on 21 March 2019. The lack of dating means that, technically, it is deficient. However, as will become apparent, the opponent's evidence (technically deficient or otherwise) does not affect the outcome of this decision. I will refer to it later in this decision.

Section 5(2)(b) of the Act

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

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

(a) ...

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

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

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

The principles

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

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

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

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

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

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

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

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

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

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

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

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

Comparison of services

9. I will begin by assessing earlier mark (i), since this mark is the closest in terms of similarity to the applicant's mark. The parties' services are shown in the table below:

Opponent's services	Applicant's services
<p><i>Class 43: Services for providing food and drink; Temporary accommodation; accommodation agencies (hotels, boarding-houses); Rental of temporary accommodation; Rental of tents; Rental of transportable buildings; Rental of facilities for meetings, conferences, exhibitions, shows, conventions, seminars, symposiums and training workshops; Rental of chairs, tables, table linen, glassware; Tourist homes; Providing campground facilities; Day-nurseries [crèches]; Hotel services; Motel services; Temporary accommodation reservations; Hotel reservations; Boarding house bookings; Boarding for animals; Retirement homes; Self-service restaurants; Bar services; Snack-bars; Cafés; Cafeterias; Catering; Canteen services.</i></p>	<p><i>Class 43: Services for providing temporary accommodation; hotel services; services for providing food and drink; information and advisory services relating to all the aforementioned services.</i></p>

10. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the Court of Justice of the European Union (“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.”

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

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

12. 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.

13. The applicant accepts that the services are identical and/or highly similar. In determining which services are identical and which are highly similar, the law requires that goods/services be considered identical where one party’s description of its goods/services encompasses the specific goods/services covered by the other party’s description (and vice versa): see *Gérard Meric v OHIM*, Case T-33/05, General Court. The opponent has cover for *services for providing food and drink*, as does the applicant. The opponent has cover for *temporary accommodation*. This covers the applicant’s *Services for providing temporary accommodation*. Both parties’ specifications include *hotel services*. These services are all identical.

14. The applicant’s *information and advisory services relating to all the aforementioned services* are highly similar to the opponent’s services identified in the previous paragraph, sharing a strong similarity in terms of trade channels and complementarity.

The average consumer and the purchasing process

15. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood

of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. The parties' services are all aimed at the general public. They will be primarily visual purchases, e.g. after consulting websites and holiday brochures, promotional material, signage and menus, although I bear in mind that there may also be aural perception of the marks if they are the subject of oral recommendation. There is likely to be a reasonable level of attention during purchase of accommodation, as consumers are choosing somewhere to stay which meets their particular needs. In relation to food and drink services, the degree of care will be medium; regard may be paid to dietary preferences and food intolerances, whilst the services covered are varied, ranging from a quick cup of tea in a café to dining in a restaurant to celebrate an occasion.


Comparison of marks

16. 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 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 CJEU 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.”

17. 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.

18. The marks to be compared are:

Opponent's mark	Applicant's mark
 The logo for NH Hotels, featuring the letters 'nH' in a large, blue, sans-serif font, with the word 'HOTELS' in a smaller, blue, sans-serif font directly below it.	HH HOTELS

19. The overall impression of the opponent's mark is dominated by the letters 'nH', partly because HOTELS will be seen as a descriptive element, and partly because the letters 'nH' are larger and more prominent within the mark as a whole. The applicant's mark also contains two letters and the word HOTELS. The two letters, HH, appear at the front of the mark, but are no larger and are shorter in length than HOTELS. The two elements of the applicant's mark contribute a roughly equal weight to the overall impression of the mark.

20. There is a medium level of visual similarity between the marks. They both contain the word HOTELS. They also both contain, and start with, two letters, the second of which is the same letter: H. In pronunciation, the letters would be articulated separately. The marks are aurally similar to a medium degree, the only difference being the initial letter.

21. The marks are conceptually similar to a medium degree. They both contain the concept of hotels. The two letters have no concept, other than perhaps to be perceived as the initials of someone or something. Overall, the marks are similar to a medium degree.

Distinctive character of the earlier mark

22. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*¹ the CJEU stated that:

¹ Case C-342/97

“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 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

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

23. The word HOTELS in the earlier mark is descriptive of the services. The other element consists of two letters, a combination which has no meaning *per se*. The particular two-letter combination may be perceived as initials or an abbreviation. The combination has no more than a medium degree of inherent distinctive character.

24. One of the principles which must be taken into account in deciding whether there is a likelihood of confusion is that there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either *per se* or because of the use that has been made of it. I summarise below the key points from the opponent’s evidence of use of its mark.

- The opponent runs 350 hotels in 28 countries. It entered the UK market in 2005 (Exhibit RA1), opening the NH Hotel in Kensington, London.

- The Kensington NH Hotel is rated on Tripadvisor. The reviews which the opponent has included in Exhibit RA4 are dated in March 2019. The opponent states that it has received a Tripadvisor Certificate of Excellence, but does not say when.
- Revenue figures for the London hotel are:

Year	Revenue (€)
2014	5,762,597
2015	6,436,492
2016	5,546,366
2017	5,909,716
2018	6,172,205

- Exhibit RA6 comprises details of awards won by the opponent. Much of the detail concerns awards for operations outside of the UK, or worldwide. It is only the perspective of the UK consumer that is relevant in assessing whether a mark's distinctive character has been enhanced and therefore makes confusion amongst UK consumers more likely. The opponent, in 2017, was a finalist in the "Selling Travel Agents Choice Awards". It won the 2016 Hotel & Restaurant Trade Show award for new technologies in the hotel industry. These both appear to be UK awards.
- Exhibit RA2 comprises Google analytics relating to the opponent's UK website, which is described as details of UK consumers that have clicked on promotions. The figures range from around 2-300,000 clicks annually for the five years prior to the filing date of the contested application.

25. I find that the evidence is insufficient to prove that the opponent is entitled to claim that the inherent distinctive character of any of the earlier marks has been enhanced through use. There is one hotel in London. The turnover figures are unremarkable and no figures have been given for the number of guests who have stayed. The awards are industry awards: the average consumer for the services will be unaware of, for example, the fact that the opponent's operational technology systems are considered to be advanced in the hotel sector. The Tripadvisor reviews

are after the relevant date and there are no details about the date of the Tripadvisor Certificate of Excellence.

Likelihood of confusion

26. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. One of those principles states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa. I have found the services to be identical and highly similar and the marks to share a medium degree of similarity.

27. The opponent has attached to its written submissions in lieu of a hearing the results of an internet search relating to hotel names. This should have been filed as evidence if the opponent wished me to consider it. It is unacceptable to attach internet search results to submissions. I have not taken the material into account in reaching this decision.

28. The applicant has referred to various other cases in which two letter marks were compared. None of them are on all fours with this case. The fact that the IPO examination report did not list any of the opponent's earlier marks is not relevant. I must consider the matter afresh, because the application has been opposed.

29. The applicant refers to the stylisation of the letters in the opponent's mark. I do not find this to be a persuasive argument. The stylisation is unremarkable, and notional and fair use covers use of word marks in both upper and lower case. It would be fair and notional use for the applicant to use the letters HH in lower case, or a combination, and for the opponent to do likewise². The colour blue is also not a differentiating factor because notional and fair use of the applicant's mark would

² See the comments of Mr Iain Purvis QC, sitting as the Appointed Person, in *Groupement Des Cartes Bancaires v China Construction Bank Corporation*, BL O/281/14 at [21] and Professor Ruth Annand, sitting as the Appointed Person, in *Bentley Motors Limited v Bentley 1962 Limited*, BL O/158/17 at [16].

include use in blue³. Notwithstanding these points, in my view there is a likelihood of confusion on the basis of imperfect recollection. Although the word HOTELS is descriptive of the services, it is an element common to both marks, which must be considered as wholes. The only other element in the marks is the two-letter component, which appears at the start of the marks. The second letter of each of these components is identical. Whilst I appreciate that a difference of one letter might make enough of a difference in some circumstances, in the present case I do not think it is enough to mitigate the likelihood that the marks will be imperfectly recalled. There is no conceptual hook for the average consumer to recall, who will have to rely upon the imperfect picture retained in their mind, which will be a two-letter mark, one letter of which is the letter H, and the word HOTELS. Since the services are identical, the interdependency of these factors will combine to cause a likelihood of confusion. The level of attention during purchase is not of a sufficiently high level to offset the likelihood that the marks will be imperfectly recalled and therefore confused.

30. Since the opponent has succeeded in relation to the mark I have considered, it is in no better a position in relation to its other two marks. However, for the record, I would have found the same outcome. This is because the services are also identical/highly similar and the central issue of imperfect recollection of two letters, one of which is the same letter, also applies. In addition, one of the marks also contains the word HOTEL.

Outcome

31. The opposition succeeds. The application is refused.

Costs

32. The opponent has been successful and is entitled to a contribution towards the costs of the proceedings, based upon the scale of costs published in Tribunal Practice Notice 2/2016. I make no award for the evidence because it was of no

³ See *Specsavers* [2014] EWCA Civ 1294, at [5] and *J.W. Spear & Sons Ltd v Zynga, Inc.* [2015] EWCA Civ 290, at [47].

assistance, for the reasons explained above. The breakdown of the cost award is as follows:

Filing the opposition and considering the counterstatement	£200
Statutory opposition fee	£100
Written submissions in lieu of a hearing	£300
Total	£600

33. I order Manhattan Loft Corporation Limited to pay NH Hotel Group S.A. the sum of **£600**. This sum is to be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 19th day of September 2019

Judi Pike
For the Registrar,
the Comptroller-General