O/0783/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3859765
IN THE NAME OF CSI DANISMANLIK VE DESTEK HIZMETLERI ANONIM SIRKETI
IN RESPECT OF THE TRADE MARK

MOTEL 10

IN CLASS 43

AND

THE OPPOSITION THERETO UNDER NO. 440237
BY CORPORACION H10 HOTELS, S.L.

Background and pleadings

1. CSI DANISMANLIK VE DESTEK HIZMETLERI ANONIM SIRKETI ("the applicant") applied to register the trade mark no. 3859765 for the mark 'MOTEL 10' in the UK on 15 December 2022. It was accepted and published in the Trade Marks Journal on 20 January 2023 in respect of the following services:

> Class 43: *Temporary accommodation; provision of food and drink; hotel services.*

2. On 13 April 2023, CORPORACION H10 HOTELS, S.L. ("the opponent") opposed the trade mark on the basis of sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 ("the Act"). This is on the basis of its earlier comparable trade marks[1] below:

> Opposition based on section 5(2)(b)
>
> 1. Comparable trade mark no. 904934311 ("the '311 mark")

> Filing date: 27 February 2006
>
> Registration date: 06 February 2007
>
> Services relied upon:
>
> Class 43: *Providing food and drink; hotels.*
>
> 2. Comparable trade mark no. 906278303 ("the '303 mark")

[1] On 1 January 2021, the UK left the EU after the expiry of the transition period. Under Article 54 of the Withdrawal Agreement, the Registry created comparable UK trade marks for all right holders with an existing EUTM. As a result of the opponent's EUTM being registered as at the end of the Implementation Period, a comparable UK trade mark was automatically created. The comparable UK mark is now recorded on the UK trade mark register, has the same legal status as if it had been applied for and registered under UK law, and retains its original filing date.

H10

Filing date: 13 September 2007

Registration date: 25 June 2008

Services relied upon:

Class 43: *Providing of food and drink; hotels*.

3. Comparable trade mark no 907292469 ("the '469 mark")

Colour Claimed : Dark blue.

Filing date: 07 October 2008

Registration date: 14 May 2009

Services relied upon:

Class 43: *Hotel services; accommodation bureaux (hotels), rental of temporary accommodation, temporary accommodation reservations; bars, cafés; hotel reservations; provision of food and drink.*

Opposition based on section 5(3) of the Act

1. The '303 mark as above.

3. The opponent argues that the respective services are identical and that the marks are similar, and that as such there will be a likelihood of confusion including a likelihood of association, and the application should therefore be refused in accordance with section 5(2)(b) of the Act. The opponent also claims to hold a reputation under its earlier '303 mark and argues that the similarity of the marks combined with that

reputation will lead consumers to believe that the is an economic connection between the marks, resulting in an unfair advantage, in addition to detriment to the distinctive character of the mark, and as such the application should be refused in accordance with section 5(3) of the Act.

4. The applicant filed a counterstatement denying the similarity of the marks and a likelihood of confusion in relation to the claims made under section 5(2)(b) of the Act and requesting proof of the opponent's claims made under section 5(3) of the Act. The applicant also requested the opponent to provide proof of use in relation to all of the earlier marks relied upon.

5. Only the opponent filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate. Only the opponent filed written submissions which will not be summarised but will be referred to as and where appropriate during this decision. No hearing was requested and so this decision is taken following a careful perusal of the papers.

6. The applicant is represented in these proceedings by FRKelly. The opponent is represented by Withers & Rogers LLP.

7. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

Evidence

8. The applicant filed the bulk of its evidence in the form of a witness statement in the name of Marta Espelt Manrique, general attorney of the opponent. This is dated 7 September 2023 and introduces 8 exhibits, namely Exhibit 1 to Exhibit 8. This statement and the corresponding exhibits go to the use of the opponent's marks in various cities across Europe including in London. Three further witness statements were also filed, two by Spanish and Dutch translator Alfredo Llamas and one by

German translator Marti Grau Davila. These statements introduce and certify English translations of the documents provided in Spanish, Dutch and German.

Proof of use

9. The relevant statutory provisions are as follows:

Section 6A:

"(1) This section applies where

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (aa) or (ba) 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 relevant period.

(1A) In this section "the relevant period" means the period of 5 years ending with the date of the application for registration mentioned in subsection (1)(a) or (where applicable) the date of the priority claimed for that application.

(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 relevant period 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 (the “variant form”) differing in elements which do not alter the distinctive character of the mark in the form in which it was registered (regardless of whether or not the trade mark in the variant form is also registered in the name of the proprietor), 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)-(5A) [Repealed]

(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.”

10. As the earlier marks are comparable marks, paragraph 7 of Part 1, Schedule 2A of the Act is also relevant. It reads:

“7.— (1) Section 6A applies where an earlier trade mark is a comparable trade mark (EU), subject to the modifications set out below.

(2) Where the relevant period referred to in section 6A(3)(a) (the "five-year period") has expired before IP completion day—

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM; and

(b) the references in section 6A(3) and (4) to the United Kingdom include the European Union.

(3) Where [IP completion day] falls within the five-year period, in respect of that part of the five-year period which falls before IP completion day —

(a) the references in section 6A(3) and (6) to the earlier trade mark are to be treated as references to the corresponding EUTM ; and

(b) the references in section 6A to the United Kingdom include the European Union".

11. Section 100 of the Act states that:

> "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."

12. In *easyGroup Ltd v Nuclei Ltd & Ors* [2023] EWCA Civ 1247, Arnold LJ summarised the law relating to genuine use as follows:

> "105. The principles applicable to determining whether there has been genuine use of a trade mark have been considered by the CJEU in a considerable number of cases, the principal decisions being Case C-40/01 *Ansul BV v Ajax Brandbeveiliging BV* [2003] ECR I-2439, Case C-259/02 *La Mer Technology Inc v Laboratories Goemar SA* [2004] ECR I-1159, Case C-416/04 P *Sunrider Corp* v *Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2006] ECR I-4237, Case C-442/07 *Verein Radetsky-Order v Bundervsvereinigung Kamaradschaft 'Feldmarschall Radetsky'*[2008] ECR I-9223, Case C-495/07 *Silberquelle GmbH v Maselli-Strickmode GmbH* [2009] ECR I-2759, Case C-149/11 *Leno Merken BV v Hagelkruis Beheer BV* [EU:C:2012:816], Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], Case C-141/13 *P Reber Holding & Co KG v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [EU:C:2014:2089], Case C-689/15 *W.F. Gözze Frottierweberei GmbH v Verein Bremer Baumwollbörse* [EU:C:2017:434] and Joined Cases C–720/18 and C–721/18 *Ferrari SpA v DU* [EU:C:2020:854].
>
> 106. Ignoring issues which do not arise in the present case, such as use in relation to spare parts or second-hand goods and use in relation to a sub-category of goods or services, the principles may be summarised as follows:
>
> (1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at[36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29]; *Ferrari* at [32].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29]; *Gözze* at [37], [40]; *Ferrari* at [32].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use:

Ansul at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56]; *Ferrari* at [33].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]."

13. In this instance it is for the opponent to prove its three earlier marks have been used in the relevant territory in respect of the services relied upon, within the relevant period of 16 December 2017 - 15 December 2022. In accordance with schedule 2A of the Act as set out above, up until the end of the transition period, that being until 31 December 2020, the relevant territory will be the EU (including the UK). After that, and up until the end of the relevant period, the relevant territory will be the UK only. With this in mind, I will now consider the use shown in the evidence filed.

The evidence

14. Within her witness statement, Ms Manrique explains that "H10 Hotels" is a chain of hotels that has been in operation since the late 1980s, with 66 hotels in 22 locations and 190 restaurants.[2] She lists 18 cities in Europe in which there is a H10 hotel. London features as the only UK city on the list, but a number of cities in Spain are referenced amongst other EU territories.[3] Ms Manrique states that H10 Hotels is one of the best-known Spanish hotel chains, and that there are currently 47 hotels in the

[2] See paragraph 2 of the witness statement of Ms Manrique
[3] See paragraph 3 of the witness statement of Ms Manrique

country.[4] Exhibit 1 provides extracts of the opponent's website and Facebook page. The webpages show the marks 'H10 Hotels' along with the '311 mark. The pages are either undated or they postdate the relevant period, although I note the group creation date of 8 May 2019 referenced on the Facebook page.

15. Ms Manrique explains that the H10 Hotels chain has repeatedly ranked in the highest positions in various hotel rankings over the years. She states that "Hosteltur" has ranked them 7th and 9th among Spanish hotel chains for the past few years, including in 2016, 2017, 2018 and 2019. She also explains that "El Economista", which she describes as "one of the most relevant economic and business related publications in Spain" ranked them 8th in 2014 and 2015, in "turnover volume" and 5th for number of rooms and establishments.[5] These rankings are provided at Exhibit 2, which also shows the chain ranked as 7th by 'Alimarket' for its presence in Spain in 2015 and 2016, and 9th in 2018 and 2019. These rankings list the opponent as both 'H10 Hotels' and display what appears to be a small image of the earlier '311 mark. Ms Manrique describes Alimarket as a "renowned Spanish publication specialized in the hotel sector" and explains that it shows H10 Hotels as having between 43-46 establishments between 2016-2018.[6] Ms Manrique also explains H10 Hotels were ranked in 9th position in the Globus Award touristic aktuell magazine in 2018.[7] I note some, but not all of these various rankings fall outside of the relevant period.

16. Ms Manrique states again that H10 Hotels has ranked in 8th position for turnover of Spanish hotel chains and provides the turnover figures below.[8] I note only the 2018 figures below can be considered to be fully inside of the relevant period.

Year	**Turnover (Euros)**
2013	350 million
2014	385 million
2015	440 million

[4] See paragraph 5 of the witness statement of Ms Manrique
[5] See paragraph 6 of the witness statement of Ms Manrique
[6] See paragraph 8 of the witness statement of Ms Manrique
[7] See paragraph 9 of the witness statement of Ms Manrique
[8] See paragraph 7 of the witness statement of Ms Manrique

2016	505 million
2017	620 million
2018	620 million

17. Ms Manrique states that H10 Hotels has received several "certificates of excellence" from the website TripAdvisor.[9] Exhibit 2 provides a list of 'H10' hotels awarded these certificates in 2019. This includes 46 hotels with names beginning H10, including 'H10 London Waterloo'. Also shown at this exhibit is a page showing the H10 chain ranking 9th in the medium hotel chains list for highest proportion of TripAdvisor Excellence Certificates in 2018. Ms Manrique also explains the opponent won the TripAdvisor Traveller's choice award for H10 Casa Mimosa hotel in 2019,[10] and this is shown at Exhibit 2, which provides a webpage listing this hotel as winning the categories of 25 best hotels – Spain, and 25 hotels with best customer service - Spain.

18. Ms Manrique explains that the opponent's London hotel opened on 1 March 2010.[11] An imagine of the front of the hotel is provided at Exhibit 3 displaying the mark below:

19. Webpages from 'Expedia' and TripAdvisor showing the hotel H10 London Waterloo available to book and as having 1000 reviews and 4,341 reviews respectively are also provided at Exhibit 3, in addition to pages from the London hotels' website. The pages provided postdate the relevant period. A Facebook page for the London hotel is also provided with 5.8 thousand likes and 5.8 thousand follows, but again this appears to post date the relevant period. Exhibit 3 also shows a web page from the booking site 'Trivago' offering rooms at the H10 London Waterloo listing 'breakfast available' and 'restaurant' under the hotels 'popular amenities', but this is also from 2023.

[9] See paragraph 10 of the witness statement of Ms Manrique
[10] See paragraph 10 of the witness statement of Ms Manrique
[11] See paragraph 12 of the witness statement of Ms Manrique

20. Some promotional material including articles or magazine advertisements showing various H10 hotels is provided at Exhibit 4, although much of this is undated or dated outside of the relevant period. Also provided at this exhibit is photo documentation of the World Travel Market in London during November 2022, showing the opponent's stand under the mark below:

21. Exhibit 5 includes a number of photographs showing awards won by the H10 London Waterloo hotel, some of which predate the relevant period. These include a 2011 'New London' Award, a 2017 'Guest Review Award', a 2018 'Gold Circle' award, a 2019 'Certificate of Excellence', and a 2021 'Loved By Guests' award. Further, an email dated from prior to the relevant period on 14 November 2016 details the H10 London Waterloo hotel being awarded top position for best breakfast in the trivago awards 2017.

22. Exhibit 6 provides web analytics showing the number of users visiting the webpage www.h10hotels.com over a number of years. These show that in 2018 there were over 1.4 million users from Spain and over 1.2 million from the UK, increasing to over 2.2 million users in Spain and over 1.5 million users in the UK in 2019, over 1 million in Spain and over 700 thousand in the UK in 2020, over 1.6 million in Spain and over 600 thousand in the UK in 2021 and over 2.6 million users in Spain and over 1.6 million in the UK in 2022. The page also shows hundreds of thousands of visitors to the website each year from a number of other EU territories.

23. Exhibit 7 provides a number of promotional articles referencing various hotels in the H10 Hotels chains, including an article last updated on 28 July 2022 referring to the H10 London Waterloo amongst a list of the best hotels in Southwark from the website London x London. This page states:

> "H10 London Waterloo is stylish from the inside out. Just a 15 minute walk from Big Ben, The London Eye and Tower Bridge, H10 is one of the best hotels in Southwark for both location and design.
>
> Floor to ceiling windows and views across Lambeth are some of its best features, as well as its elegant decor.
>
> Treat yourself to sumptuous Mediterranean cuisine at Three O Two restaurant at H10 before retreating to the glamorous Circus Bar for a selection of fine wines. There's also a Waterloo Sky Bar on the 8th floor with magnificent views of the city."

24. Also provided at Exhibit 7 are promotional articles including two articles about the H10 hotels in Rome and one referring to a H10 hotel opening in Malaga with restaurants and bars as part of the offering. In addition, there are a number of articles provided and translated referring to H10 Hotels and the availability of exquisite or select "gastronomy". However, again these all date either prior to the relevant period, or refer to locations outside of the UK following the end of the transition period.

25. I have not detailed every single piece of evidence provided above. However, for the avoidance of doubt, I note here that the evidence has been considered in its entirety.

Use of the marks as registered or in variant form

26. Before I move on to decide if the above use constitutes genuine use of all three earlier marks in respect of the services relied upon, it is necessary to address the marks shown in the use and decide if this is either use of the marks as relied upon, or use of an acceptable variant of the same. In *Colloseum Holdings AG v Levi Strauss & Co.,* Case C-12/12, which concerned the use of one mark with, or as part of, another mark, the Court of Justice of the European Union found that:

> "31. It is true that the 'use' through which a sign acquires a distinctive character under Article 7(3) of Regulation No 40/94 relates to the period before its registration as a trade mark, whereas 'genuine use', within the meaning of Article 15(1) of that regulation, relates to a five-year period following registration and,

accordingly, ‘use’ within the meaning of Article 7(3) for the purpose of registration may not be relied on as such to establish ‘use’ within the meaning of Article 15(1) for the purpose of preserving the rights of the proprietor of the registered trade mark.

32. Nevertheless, as is apparent from paragraphs 27 to 30 of the judgment in *Nestlé*, the ‘use’ of a mark, in its literal sense, generally encompasses both its independent use and its use as part of another mark taken as a whole or in conjunction with that other mark.

33. As the German and United Kingdom Governments pointed out at the hearing before the Court, the criterion of use, which continues to be fundamental, cannot be assessed in the light of different considerations according to whether the issue to be decided is whether use is capable of giving rise to rights relating to a mark or of ensuring that such rights are preserved. If it is possible to acquire trade mark protection for a sign through a specific use made of the sign, that same form of use must also be capable of ensuring that such protection is preserved.

34. Therefore, the requirements that apply to verification of the genuine use of a mark, within the meaning of Article 15(1) of Regulation No 40/94, are analogous to those concerning the acquisition by a sign of distinctive character through use for the purpose of its registration, within the meaning of Article 7(3) of the regulation.

35 Nevertheless, as pointed out by the German Government, the United Kingdom Government and the European Commission, a registered trade mark that is used only as part of a composite mark or in conjunction with another mark must continue to be perceived as indicative of the origin of the product at issue for that use to be covered by the term ‘genuine use’ within the meaning of Article 15(1).” (emphasis added)

27. Further, in relation to the use of the mark in a differing form, in *Lactalis McLelland Limited v Arla Foods AMBA*, BL O/265/22, Phillip Johnson, sitting as the Appointed Person, considered the correct approach to the test under s. 46(2). He said:

“13. […] While the law has developed since *Nirvana* [BL O/262/06], the recent case law still requires a comparison of the marks to identify elements of the mark added (or subtracted) which have led to the alteration of the mark (that is, the differences) (see for instance, T-598/18 *Grupo Textil Brownie v EU*IPO*, EU:T:2020:22, [63 and 64]).

14. The courts, and particularly the General Court, have developed certain principles which apply to assess whether a mark is an acceptable variant and the following appear relevant to this case.

15. First, when comparing the alterations between the mark as registered and used it is clear that the alteration or omission of a non-distinctive element does not alter the distinctive character of the mark as a whole: T-146/15 *Hypen v EUIPO*, EU:T:2016:469, [30]. Secondly, where a mark contains words and a figurative element the word element will usually be more distinctive: T-171/17 *M & K v EUIPO*, EU:T:2018:683, [41]. This suggests that changes in figurative elements are usually less likely to change the distinctive character than those related to the word elements.

16. Thirdly, where a trade mark comprises two (or more) distinctive elements (eg a house mark and a sub-brand) it is not sufficient to prove use of only one of those distinctive elements: T-297/20 *Fashioneast v AM.VI. Srl*, EU:T:2021:432, [40] (I note that this case is only persuasive, but I see no reason to disagree with it). Fourthly, the addition of descriptive or suggestive words (or it is suppose figurative elements) is unlikely to change the distinctive character of the mark: compare, T-258/13 *Artkis*, EU:T:2015:207, [27] (ARKTIS registered and use of ARKTIS LINE sufficient) and T-209/09 *Alder*, EU:T:2011:169, [58] (HALDER registered and use of HALDER I, HALDER II etc sufficient) with R 89/2000-1 CAPTAIN (23 April 2001) (CAPTAIN registered and use of CAPTAIN BIRDS EYE insufficient).

17. It is also worth highlighting the recent case of T-615/20 *Mood Media v EUIPO*, EU:T:2022:109 where the General Court was considering whether the use of various marks amounted to the use of the registered mark MOOD MEDIA. It took the view that the omission of the word “MEDIA” would affect the

distinctive character of the mark (see [61 and 62]) because MOOD and MEDIA were in combination weakly distinctive, and the word MOOD alone was less distinctive still."

28. It is my view that considering the sum of the evidence, it is clear that the opponent operated a large number of hotels under the '303 mark used in combination with 'Hotels' or with another element such as, for example, 'London Waterloo'. It is my view that in these circumstances, H10 continues to act as an indication of origin in the marks, and, in accordance with *Colloseum*, these are acceptable variants of the earlier '303 mark. In addition, the '311 mark has clearly been used by the opponent throughout the relevant period. Whilst I note the '311 mark appears to often be used in blue, fair and notional use of the mark filed in greyscale clearly allows for this, and I therefore consider this to be acceptable use of the mark as filed.

29. Further, I note a single hotel in London has been open under the marks 

and 'H10 London Waterloo' throughout the relevant period. I consider the use of the word mark 'H10 London Waterloo' to be an acceptable variant of the '469 mark relied upon, in accordance with the case law set out above. Whilst the '469 mark claims the colour dark blue, I do not find the use of the mark in black to alter the distinctive character of the mark. Further, the four stars featured within the mark will likely be considered by the consumer purely as a reference to the number of stars awarded to the hotel itself, and as such I do not consider their omission (or change of position) to alter the dominant and distinctive elements of the mark either. Finally, where the word 'hotel' is placed before the mark, this is clearly descriptive, and I consider that the '469 mark maintains its role as an independent indicator of origin within the same where this is the case. I therefore consider acceptable variants of the '469 mark to have been used in respect of a London based hotel within the relevant period, in accordance with *Colloseum* and conditions set out in *Lactalis McLelland Limited* as above.

Genuine use in relation to the services relied upon

30. The opponent has clearly evidenced use of its earlier '303 and '311 marks in relation to its hotel offering in the UK and the EU, and its earlier '469 mark in relation

to hotel services in the UK during the relevant period. Whilst it is clear that its use in Spain is dominant, and this constitutes part of the relevant territory up until the end of 2020 only, there is clearly also a London hotel that has been open throughout the relevant period including after the transition period ended. Whilst I note I have not been provided with turnover figures for the complete relevant period, the figures provided for 2018 are significant at 620 million Euro, and it is my view that the opponent's presence within Spain and across the EU at this time means at least a very significant portion of these figures will be attributable to hotel services under its earlier '303 and '311 marks within the relevant territory during 2018. Further, I note the significant EU users of its website up until the end of the transition period, and the significant number of UK users throughout the remainder of the relevant period. Whilst I do not have images of the website from this period, the evidence shows that the opponent was using its earlier marks (or acceptable variants of these) during this time, and it is my view it is safe to assume these would have featured in some capacity on their website during this time. Even if they did not, the evidence shows there were other ways the marks were being used for the hotel services during this period, on other websites and on the front of the London hotel. I have no doubt from the evidence provided that the opponent has made genuine use of its earlier marks in relation to hotels and hotel services throughout the relevant period.

31. However, the opponent's use in relation to the provision of food and drink is less obvious from the evidence provided. I note Ms Manrique's statement that the H10 chain has 190 restaurants, although she does not explain the location or opening dates of these. Further, I note the award won by the H10 London Waterloo for "best breakfast", although I note this was prior to the relevant period, as it announced via email in November 2016. I also note the two articles about the H10 hotels in Rome and one referring to a H10 hotel opening in Malaga with restaurants and bars provided at Exhibit 7, but again I note these either date outside of the relevant period all together or after the end of the transition period. I note the articles provided and translated referring to H10 Hotels and the availability of exquisite or select "gastronomy" at Exhibit 7, but again these date prior to the relevant period, or refer to locations outside of the UK following the end of the transition period.

32. Whilst I note further reference to restaurant and bar offerings on the opponent's social media posts shown and website in relation to the London hotel provided at Exhibit 3, again the pages provided fall outside of the relevant period, as does the webpage from the booking site 'Trivago' listing 'breakfast available' and 'restaurant' under the London hotels' 'popular amenities', at Exhibit 3. The opponent's own webpage provided at this exhibit also has a section on its restaurants and bars. Although these are referred to under alternative marks the website itself states "[a]t H10 London Waterloo you can enjoy excellent signature cuisine specialising in Mediterranean and international gastronomy at the Three O Two restaurant. You can also enjoy our selection of cocktails at the Circus Bar located in the hotel lobby." A print out of booking site TripAdvisor is also provided, which references to 'unique dining experiences' in addition to a "world renowned breakfast buffet" when describing what the H10 London Waterloo hotel has to offer, and although again it refers to the bar and restaurant under alternative marks, it lists bar/lounge under the hotels' popular amenities. However, again both of these webpage print outs postdate the relevant period.

33. Within the relevant period, I note the reference to the food and drink offering provided at Exhibit 7 in a review of the H10 London Waterloo dated within the relevant period on 28 July 2022. This review refers to restaurant services under the mark 'Three O Two', and to bar services under 'Circus Bar' and 'Waterloo Sky Bar'. I do also note the promotion offering a chance to win a two-night stay including breakfast at the H10 London Waterloo, which although undated sits alongside other promotions dating from 2021. However, there is no information regarding how much of the turnover from within the relevant period is attributable a food or drink offering under the three earlier marks, and as mentioned there is very little specific reference to the extent of the food and drink offering under the earlier marks within the relevant territory and within the relevant period.

34. Considering the evidence as a whole, it appears that the opponent did to some extent, offer food and drinks services at (at least) one of its hotels within the relevant territory within the relevant period. However, the extent to which these services were offered to consumers under each of the three earlier marks has not been demonstrated in the evidence provided. Whilst it seems possible in this case that this

comes down to a lack of relevant and specific evidence relating to these services, rather than a lack of actual use of the marks for the provision of food and drink (or indeed bars), having carefully considered what the evidence shows, I have concluded that to find for the opponent in this respect would involve making, in my view, too many assumptions to bridge the gaps in the evidence provided. With this in mind, considering the evidence a whole, it is my view the opponent has not demonstrated in evidence genuine use of its marks in relation to *providing of food and drink* or *bars, cafés* and *provision of food and drink.* Further, I see no evidence that the opponent offers *hotel reservations; temporary accommodation reservations* or *accommodation bureaux (hotels),* as *a* service to third parties.

Fair specification

35. In my view, the opponent has shown genuine use of its three earlier marks in relation to *hotels* and *hotel services* under its earlier specification. Whilst I note technically these services may be considered to be incorporated within the category of *rental of temporary accommodation* it is my view that *hotels* and *hotel services* are a suitable subcategory of these broader services, and it is how the consumer would fairly describe the services for which the marks have been used.[12] I therefore find the opponent may rely on the following services under its earlier marks within this opposition:

Hotels (the '311 and '303 mark)

Hotel services (the '469 mark)

Decision

Section 5(2)(b)

36. Section 5(2)(b) of the Act is as follows:

"5(2) A trade mark shall not be registered if because-

[12] See *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch) in which Mr Justice Carr summed up the law relating to partial revocation concluding that these are relevant factors when reaching a fair specification.

(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".

37. Section 5A of the Act is as follows:

"5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

The Principles

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

The principles

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

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

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

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

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

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

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

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

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

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

(k) if the association between the marks creates a risk that the public 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

39. In the judgment of the Court of Justice of the European Union ("CJEU") in *Canon*, Case C-39/97, the court stated at paragraph 23 of its judgment that:

> "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".

40. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity 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. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

41. In *YouView TV Ltd v Total Ltd* [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

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

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

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

43. In *Gérard Meric v Office for Harmonisation in the Internal Market,* Case T- 133/05, the GC stated that:

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

where the goods designated by the trade mark application are included in a more general category designated by the earlier mark".

44. With the above in mind, the goods and services for comparison are as follows:

Earlier services	**Contested services**
Class 43*: Hotels* (the '311 and '303 mark) Class 43: *Hotel services* (the '469 mark)	Class 43: *Temporary accommodation; provision of food and drink; hotel services.*

45. The earlier *hotels* and *hotel services* are self-evidently identical to the contested *hotel services*. In addition, these fall within the scope of *temporary accommodation* and are therefore identical in line with the principles set out in *Meric*.

46. In respect of the contested services *provision of food and drink,* I find the nature and purpose of these services differs to the earlier *hotels* and *hotel services*, and I do not consider these to be in competition or complementary to any meaningful degree. However, I do believe trade channels will often be shared, with both the provision of food and drink and hotel services frequently being offered by the same entity, and I also consider users, those often being members of the general public looking for services to provide for their needs whilst away from home, will be shared. Overall, I consider there to be a low degree of similarity between these services.

Comparison of marks

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

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

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

49. The respective trade marks are shown below:

Earlier trade marks	**Contested trade mark**
 ("the '311 mark") H10 ("the '303 mark")  ("the '469 mark")	MOTEL 10

50. The earlier '311 mark includes a number of elements, the most dominant and distinctive of these being the text H 10. I find the flower device plays a lesser role in the overall impression of the mark than the text, despite it being at the beginning of the mark, due to its decorative nature and the fact that, generally text in a mark will have a greater impact than a device element. Further whilst not negligible, the basic square boxes upon which the text and the flower are placed, and the small descriptive word 'HOTELS' all play an even smaller role in the overall impression of the mark as a whole.

51. The earlier ‘303 mark comprises the text H10 only. The overall impression resides in the mark as a whole.

52. The earlier ‘469 mark comprises the text ‘H10 london waterloo’. The most dominant and distinctive element of this earlier mark is the text H10 being that it is the largest and boldest text at the beginning of the mark, and it is followed by the name of a well-known geographical location. The four very small stars and the navy-blue colour play a very small role (if any) in the overall impression of the mark as a whole.

53. The earlier mark comprises the text MOTEL 10. The overall impression resides in the combination of these elements and the mark as a whole.

Visual comparison

54. Visually, all three earlier marks coincide with the contested mark through the use of the number ‘10’ and differ to the earlier mark on the basis that they do not include the word MOTEL, but instead include the letter ‘H’. These are all of the similarities and differences between the ‘303 mark and the earlier mark, and I find these to be visually similar to between a low and medium degree.

55. The ‘311 and the ‘469 marks include additional visual differences. The ‘311 mark includes the flower device and boxes, and whilst I note the corresponding letters ‘OTEL’ in the small word HOTELS in this mark, I still find overall the marks are visually similar only to a low degree. The earlier ‘469 mark also notably includes the words ‘london waterloo’ which adds to the visual differences between these marks, and again this earlier mark is visually similar to the contested mark only to a low degree.

Aural comparison

56. The contested mark will be pronounced in the known way as the two words comprising three syllables, those being MO-TEL TEN.

57. Due to its size and position in the mark, I find it unlikely that the word ‘HOTELS’ will be pronounced in the earlier ‘311 mark. On this basis, the earlier ‘303 mark and the earlier ‘311 mark will be pronounced identically as ‘H-TEN’. They share the single word and syllable TEN. They differ in length and by way of the difference at the beginning of the marks, that being ‘H’ vs ‘MOTEL’. Overall, considering the similarities

and the differences, I find these to be aurally similar to between a low and medium degree. For completeness, I note that if the element 'HOTELS' were to be pronounced, although there are similarities with this word and the word MOTEL, it is my view that the aural differences between H-TEN HOTELS and MOTEL TEN are still fairly significant, and I still find these to be similar aurally only to between a low and medium degree.

58. The earlier '469 mark will be pronounced in the known and normal way as H-TEN LON-DON WA(R)-TER-LOO. This coincides with the earlier mark by way of the shared word and single syllable TEN. Overall, I find these to be aurally similar to a low degree.

Conceptual comparison

59. The word MOTEL in the earlier mark is defined by Collins dictionary[13] as follows:

> motel
> (moʊtel)
>
> **Word forms:** plural **motels**
> **countable noun**
>
> A **motel** is a hotel intended for people who are travelling by car.
> *The plan was to camp or stay in motels.*

60. Overall, the contested mark conveys the concept of the 10th motel or motel (no.) 10, in a sequence of motels.

61. The element H10 in all three earlier marks appears to simply be the combination of the letter H and the number 10, and on its own doesn't appear to convey any meaning beyond this. The use of 'hotels' in the earlier '311 mark creates a point of conceptual similarity with the earlier mark due to the similar concept of 'MOTEL' and 'HOTEL' as a place for a person to stay the night. The flower device creates a point of conceptual difference. Overall, I consider the earlier '311 mark and the contested mark to be conceptually similar a medium degree.

[13] https://www.collinsdictionary.com/dictionary/english/motel [accessed 24 July 2024]

62. It is my view that the earlier ‘303 and ‘469 marks do not share any real conceptual similarity with the earlier mark beyond the fact that the number ‘10’ is included in all of the marks, the mere presence of which in the earlier marks does not create any immediately graspable concept. However, if I am wrong in my finding that the mere inclusion of a number 10 in a mark does not in and of itself create an immediately graspable concept, then I find these marks will share a low degree of conceptual similarity by virtue of its inclusion in all of the marks.

Average consumer and the purchasing act

63. 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.

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

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

65. The average relevant consumer of the services will primarily comprise members of the general public. In respect of the provision of food and drink, consumers will likely pay attention to factors such as quality, variety and suitability for their personal tastes, preferences or dietary requirements. The opponent submits that the attention paid by the average consumer will be at least moderate, and I agree that a medium degree of attention will be paid in relation to these services. In respect of hotels and hotel services, I note the level of attention will likely be slightly higher, due to these likely

being a slightly less frequent purchase and considering these services concern a place for the consumer to sleep overnight. Factors such as reviews, comfort, facilities, and security might all be considered when engaging the services, and a slightly above medium level attention will likely be paid in respect of the same.

66. Generally, the services will be engaged with visually, with consumers viewing the marks on websites or on the outside of the establishments offering the services themselves. However, I cannot discount the possibility for word of mouth recommendations or telephone bookings, in addition to the possibility for verbal assistance in the booking process provided by travel agents for example, and as such I cannot completely discount the aural comparison.

Distinctive character of the earlier trade mark

67. In *Lloyd Schuhfabrik Meyer & Co. GmbH* v *Klijsen Handel BV,* Case C-342/97 the CJEU stated that:

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *WindsurfingChiemsee* v *Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of

commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

68. The element H10, common to all three earlier marks, is neither descriptive nor allusive of the services. It is, however, relatively short, and comprises the simple letter 'H' and number '10', both of which are at best fairly low in distinctiveness inherently. Considering these factors, I find this element distinctive to no more than a medium degree. I do not consider that the additions of the flower device, boxes or descriptive word HOTELS to raise the inherent distinctiveness of the earlier '311 mark as a whole above this level, nor do I consider the addition of the wording 'london waterloo' (which would in my view be seen as descriptive of the location of the services), or the use of dark blue, to raise the level of inherent distinctive character of the earlier '469 mark as a whole. Overall, by virtue of the dominant and distinctive element 'H10', I find all three earlier marks to be inherently distinctive to no more than a medium degree.

69. The opponent argues that the distinctiveness of its earlier marks has been enhanced following its extensive use. When considering whether the distinctive character of the earlier marks has been enhanced, it is the perception of the UK consumer at the relevant date, that being the filing date of 15 December 2022, that is key. The evidence relating to the UK specifically is, in this instance, fairly limited. I note there was a single hotel in operation in the UK under the marks prior to the relevant date. I consider this had won a few industry awards, although there is nothing to convey whether this will have resulted in (or was the result of) an increased exposure to the UK consumer in general. I note the turnover figures provided (whilst stopping in 2018) are relatively high, but it is not clear what portion of these relate to the UK.

70. I consider that the services offered under the earlier marks are hotel services. I note that UK consumers will often travel abroad to use these services, and as such the fact there was only a single UK hotel, and the lack of any particularly convincing evidence relating to its promotion prior to the relevant date, is not determinative. Further, I note the opponent's obvious dominant position in the Spanish market. However, I do not consider the fact that many UK consumers (and I have no evidence confirming exactly how many) will holiday in Spain every year means they will have necessarily been exposed to the opponent's hotels under the marks in particular. It is my experience that different hotels are often more or less popular with visitors from

different countries. The most convincing evidence filed by the opponent in this respect is the evidence at Exhibit 6 pertaining to the number of UK customers visiting its website every year. I note that in the years leading up to and including 2022, dating right back to 2010, between 600,000 and 1.6 million UK users each year viewed the opponent's website. Further, in 2008 and 2009, over 300,000 and nearly 500,000 UK users visited the site respectively. Whilst not specific to the UK, it appears that of the users visiting the site, somewhere between 15 and 24% of these users were "returning visitors" whereas the rest were new, although I keep in mind that a consumer browsing hotels may not always spend long on a hotels website or make a booking at that hotel just because they have found themselves on the website.

71. Having carefully considered all of the evidence, whilst I note that a fairly healthy number of UK users will have been exposed to the opponent's marks each year via its website for a number of years, I do not consider this alone to be enough to show that the distinctive character of its marks had been raised above a medium level amongst UK consumer at the relevant date.

GLOBAL ASSESSMENT – Conclusions on Likelihood of Confusion

72. Prior to reaching a decision under Section 5(2)(b), I must first consider all relevant factors, including those as set out within the principles A-K at paragraph 38 of this decision. I must view the likelihood of confusion through the eyes of the average consumer, 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 they have kept in their mind. I must consider the level of attention paid by the average consumer, and consider the impact of the visual, aural and conceptual similarities of the marks by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. I must consider that the level of distinctive character held by the earlier mark will have an impact on the likelihood of confusion. I must remember that the distinctiveness of the common elements is key.[14] I must keep

[14] See *Kurt Geiger v A-List Corporate Limited*, BL O-075-13, in which Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar.

in mind that a lesser degree of similarity between the services may be offset by a greater degree of similarity between the marks, and vice versa. I must also consider that both the degree of attention paid by the average consumer and how the goods/services are obtained will have a bearing on how likely the consumer is to be confused.

73. There are two types of confusion that I may find. The first type of confusion is direct confusion. This occurs where the average consumer mistakenly confuses one trade mark for another. The second is indirect confusion. This occurs where the average consumer notices the differences between the marks, but due to the similarities between the common elements, they believe that both products derive from the same or economically linked undertakings.[15]

74. In *Duebros Limited v Heirler Cenovis GmbH,* BL O/547/17, Mr James Mellor Q.C. (as he then was), as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

75. In this case I found the services to range from identical to similar to a low degree. I also found the marks visually and aurally similar either to a low to medium degree or a low degree, and conceptually similar to either to a medium degree, or to share no meaningful conceptual similarity beyond the fact the marks include the number 10 (or if I am wrong in that finding, I found the marks conceptually similar to a low degree). I found the earlier marks inherently distinctive to no more than a medium degree by virtue of the use of the combination 'H10', but I found the common element, that being the number 10 to hold only a fairly low level of distinctive character. I did not find that the distinctive character of the earlier mark had been enhanced to above a medium level when considering the perception of the relevant consumer, those being members of the UK general public. I agreed with the opponent that the level of attention paid to the services will be at least moderate, with this being slightly above medium in respect

[15] *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10

of the hotel services, and that the services will primarily be purchased visually, but that aural considerations cannot be completely disregarded.

76. Considering all of the factors above, it is my view that the differences between the marks are too great for the consumer to be directly confused. The significant visual and aural differences will, in my view, mean that the consumer will notice and recall these differences between the marks and not confuse one for the other, or at least that they will notice and recall that there are significant differences, even if they are recollected imperfectly. I therefore find no likelihood of direct confusion in relation to the same.

77. I therefore move on to consider if there is a likelihood of indirect confusion between the marks. In *L.A. Sugar* (cited above) Mr Iain Purvis Q.C. (as he then was), as the Appointed Person set out three examples of when indirect confusion may occur as below:

> 17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:
>
> (a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ("26 RED TESCO" would no doubt be such a case).
>
> (b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as "LITE", "EXPRESS", "WORLDWIDE", "MINI" etc.).
>
> (c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ("FAT FACE" to "BRAT FACE" for example)."

78. I note that the examples above were intended to be illustrative and are not exhaustive.

79. In *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch), Arnold J. (as he then was) considered the impact of the CJEU's judgment in *Bimbo,* Case C-591/12P, on the court's earlier judgment in *Medion v Thomson.* The judge said:

> "18 The judgment in *Bimbo* confirms that the principle established in *Medion v Thomson* is not confined to the situation where the composite trade mark for which registration is sought contains an element which is identical to an earlier trade mark, but extends to the situation where the composite mark contains an element which is similar to the earlier mark. More importantly for present purposes, it also confirms three other points.
>
> 19 The first is that the assessment of likelihood of confusion must be made by considering and comparing the respective marks — visually, aurally and conceptually — as a whole. In *Medion v Thomson* and subsequent case law, the Court of Justice has recognised that there are situations in which the average consumer, while perceiving a composite mark as a whole, will also perceive that it consists of two (or more) signs one (or more) of which has a distinctive significance which is independent of the significance of the whole, and thus may be confused as a result of the identity or similarity of that sign to the earlier mark.
>
> 20 The second point is that this principle can only apply in circumstances where the average consumer would perceive the relevant part of the composite mark to have distinctive significance independently of the whole. It does not apply where the average consumer would perceive the composite mark as a unit having a different meaning to the meanings of the separate components. That includes the situation where the meaning of one of the components is qualified by another component, as with a surname and a first name (e.g. BECKER and BARBARA BECKER).

> 21 The third point is that, even where an element of the composite mark which is identical or similar to the earlier trade mark has an independent distinctive role, it does not automatically follow that there is a likelihood of confusion. It remains necessary for the competent authority to carry out a global assessment taking into account all relevant factors."

80. I also keep in mind *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, in which Arnold LJ referred to the comments of James Mellor Q.C. (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Arnold LJ agreed, pointing out that there must be a "proper basis" for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.

81. Considering the case law above, in addition to all of the factors of this case, it is my view that there will be no likelihood of indirect confusion in this instance. I do not consider this case to fall within a category set out in *L.A. Sugar,* and whilst these are not exhaustive, I see no proper basis for the consumer to consider the replacement of the word 'MOTEL' with the letter 'H' (with or without additional features) as a logical brand extension, for example, and the opponent has not provided any specific reasoning for me to consider in this respect. Further, whilst I have considered *Whyte and Mackay* as above, it is my view that the number 10 does not play an independent distinctive role in all of the marks to the extent that it would be considered by the consumer to indicate that the two marks must (or are likely to) derive from the same economic origin. It is my view that should it be noticed by the consumer that the number 10 features in both the earlier marks and the contested mark, considering the marks as a whole, this would in the circumstances be simply put down to coincidence and not an economic connection between the same.

82. The opposition based on section 5(2)(b) of the Act therefore fails in its entirety.

Section 5(3)

83. Section 5(3) states:

> "(3) A trade mark which-
>
> 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 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".

84. Section 5(3A) states:

> "(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected".

85. Section 5A of the Act is as follows:

> "5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

86. Section 10 of schedule 2A of the Act provides:

> "10(1) Sections 5 and 10 apply in relation to a comparable trade mark (EU), subject to the modifications set out below.
>
> (2) Where the reputation of a comparable trade mark (EU) falls to be considered in respect of any time before IP completion day, references in sections 5(3) and 10(3) to—
>
> (a) the reputation of the mark are to be treated as references to the reputation of the corresponding EUTM; and
>
> (b) the United Kingdom include the European Union."

87. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors,* Case C-252/07, *Intel,* Case C-408/01, *Adidas-Salomon,* Case C-487/07, *L'Oreal v Bellure* and Case C-323/09, *Marks and Spencer v Interflora* and Case C-383/12P, *Environmental Manufacturing LLP v OHIM.* The law appears to be as follows:

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

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

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

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42.

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

(f) the more immediately and strongly the earlier mark is brought to mind by the later mark, the greater the likelihood that use of the latter will take unfair advantage of, or will be detrimental to, the distinctive character or the repute of the earlier mark; *L'Oreal v Bellure NV*, paragraph 44.

(g) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel,* paragraphs 76 and 77 and *Environmental Manufacturing*, paragraph 34.

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

(i) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV,* paragraph 40. The stronger the reputation of the earlier mark, the easier it will be to prove that detriment has been caused to it; *L'Oreal v Bellure NV*, paragraph 44.

(j) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure).*

88. An opposition based on section 5(3) of the Act can only be successful via the establishment of several individual elements, the cumulation of which must satisfy all elements of the claim. To be successful on this ground, the opponent must prove it holds a reputation for the earlier mark relied upon amongst a significant portion of the public. It must also be established that the marks are similar. If it is found both that the marks are similar and that the earlier mark holds a qualifying reputation it must then be shown that this reputation, combined with the similarity between the marks will result in the relevant public establishing a link between the marks. A link may be found on the basis that the later mark brings the earlier mark to mind. Importantly, if all three of these elements have been established, it must then be shown that the link made by the public will result in, or will be likely to result in, one of the pleaded types of damage.

89. The relevant date for consideration under section 5(3) of the Act is the application date of the opposed mark of 15 December 2022. As the earlier mark relied upon is a comparable mark, use in the EU up until 31 December 2020 may also be considered, in accordance with section 10 of schedule 2A of the Act.

Reputation

90. The opponent relies only upon its earlier '303 mark (H10) under this ground, claiming it holds a reputation in respect of *Providing of food and drink; hotels.* However, as I have noted previously during my assessment of use, I have found the opponent may rely on *'Hotels'* only under this mark within this opposition.

91. I note the opponent's evidence of the use of the mark H10 both in the UK and elsewhere in the EU. As set out when considering the evidence in relation to the distinctive character of the mark, the high point of its evidence in relation to the UK population alone is that relating to the number of users consistently visiting its website dating all the way back to 2008. I also note the existence of a single hotel in the UK up until the relevant date, and the industry awards won by the same. I note website TripAdvisor rates the chain as 9th in medium sized hotel chains in its list of "most excellent" hotel chains in the world in 2018 based on number of "TripAdvisor Excellence Certificates" issued, but I note this is not specific to the UK and there is nothing to show whether this was the result of, or resulted in, significant exposure to

the UK consumer. There is little other evidence to show the opponent will hold a reputation amongst the UK consumer at the relevant date.

92. That said, I may also take into account the opponent's evidence from elsewhere in the EU up until the end of the transition period. I note in particular the opponent's consistent top 10 rankings under the mark amongst hotel chains in Spain, as rated by Spanish publications between 2015 and 2019. These rankings also reference the number of establishments held by the opponent under the mark, which appear to steadily increase to 66 in 2019, and it appears from the evidence at least a large portion of were located in Spain. I note that nearly or over 2 million Spanish users visited the opponent's website every year between 2010 – 2014, although this number drops to nearer 1-1.5 million between 2015 – 2018, before bouncing back to over 2 million in 2019, then dropping again to just over a million in 2020. This last drop is understandable considering the impact of the global pandemic in 2020. Significantly, I also note the hundreds of million Euros worth of turnover year on year between 2013 and 2018. From the sum of the evidence I find it safe to assume that at least a significant portion of this turnover will be attributable to its presence in the Spanish market, which appears from the evidence to make up by far the most significant portion of its business prior to the relevant date. Considering the evidence as a whole, it is my view that the opponent had a fairly strong reputation under its H10 mark for *hotels* in Spain at the end of the transition period, and I find Spain to be a significant portion of the relevant territory of the EU up until that time. It is therefore my view that the opponent held an actionable reputation for its mark in relation to *Hotels* in the EU prior to the relevant date.

Link

93. As I found the opponent to hold a qualifying reputation in relation to its services relied upon, namely *Hotels*, I will move on to consider if I find there will be a link made between the marks, with consideration to the relevant factors set out in *Intel.*

The degree of similarity between the respective marks and between the goods/services

94. Earlier in this decision, I found the mark relied upon to be visually and aurally similar to the earlier mark to between a low and medium degree. I found that the marks do not share any real conceptual similarity beyond the fact that the number '10' is included in both, but I noted that if I am wrong in that finding, I considered the marks similar conceptually to a low degree. Overall, the marks are similar to between a low and medium degree. I found the contested services to be either identical or similar to a low degree to those for which the opponent holds a reputation under this mark.

The extent of the overlap between the relevant consumers for the services

95. I found the users of the services will be shared, those primarily being members of the general public.

The strength of the earlier mark's reputation

96. I found the opponent held a fairly strong reputation in Spain under its mark at the end of the transition period. I did not find that the opponent held a reputation for services under its mark in the UK at the relevant date.

The distinctiveness of the earlier mark

97. I found the earlier mark to be inherently distinctive to a medium degree in respect of its services. Bearing in mind that it is the perception of the UK consumer at the relevant date that is key, I did not find that the distinctiveness of the earlier mark had been enhanced through its use.

Whether there is a likelihood of confusion

98. I did not find a likelihood of confusion between the marks.

99. I consider carefully the factors outlined above, and whether it is my view that in the circumstances, there will be a link made between the marks in the mind of consumers. Whilst I note the identity between some of the services, I also note that the similarity between the marks not especially strong. Further, I consider that the reputation held by the opponent under the mark is in Spain. In China Construction Bank Corporation v Groupement Des Cartes Bancaires, BL O/281/14, Mr Iain Purvis Q.C. (as he then was), sitting as the Appointed Person, stated:

> "40. […] I believe that the ultimate decision under s5(3) was nonetheless correct. In order to succeed under s5(3), the opponent has to show either that the distinctive character or repute of its earlier mark would be damaged by reasonable and fair use of the mark applied for, or that such reasonable and fair use would take unfair advantage of the reputation of its earlier mark. The reasonable and fair use of the mark applied for can only be use in the United Kingdom, since this is the entire territorial scope of the application.
>
> 41. If the reputation of the earlier mark does not extend to the United Kingdom, it is difficult to see how (at least in the usual case) it could be damaged by use of a mark in the United Kingdom, or that such use could be said to take unfair advantage of the earlier mark. For one thing, the necessary 'link' between the marks in the mind of the average consumer which must be established in any case which relies on the extended protection (see Adidas-Saloman v Fitnessworld [2004] ETMR 10) would not exist. There is certainly no evidence in the present case which explains how any 'link' could be made in the UK absent of a reputation here."

100. With consideration to the facts of this case and the comments above, it is my view that the opponent has not successfully established that there would be a link made between the marks in the mind of the UK consumer. In any case, if a link was made, it is my view that it would be so fleeting that it could not result in an unfair advantage for the applicant or damage to the opponent. Therefore, the opposition based on section 5(3) of the Act must fail.

Final Remarks

101. The opposition has failed in its entirety, and subject to any successful appeal, the application may proceed to registration in respect of all of the services applied for.

COSTS

102. The applicant has been successful and is entitled to a contribution towards its costs, in accordance with Tribunal Practice Notice 1/2023. In the circumstances I

award the applicant the sum of £750 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Reviewing the TM7 and preparing and filing the TM8 and counterstatement:	£350
Considering the evidence:	£400
Total:	**£750**

103. I therefore order CORPORACION H10 HOTELS, S.L. to pay CSI DANISMANLIK VE DESTEK HIZMETLERI ANONIM SIRKETI the sum of £750. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 15th day of August 2024

Rosie Le Breton

For the Registrar