

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION No. 2024696
BY HERMES PROPERTIES LIMITED**

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER No. 44855
BY HERMES INTERNATIONAL**

TRADE MARKS ACT 1994

**IN THE MATTER OF Application No 2024696
by Hermes Properties Limited**

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and

**IN THE MATTER OF Opposition thereto under
No 44855 by Hermes International**

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BACKGROUND

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On 21 June 1995 Hermes Properties Limited applied under the Trade Marks Act 1994 to register the trade mark HERMES in respect of a specification which reads:

Class 36

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Property investment services; rental of accommodation; management, rental, leasing and brokerage of properties.

Class 37

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Property development; refurbishment and restoration of buildings.

The application is numbered 2024696.

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The application was accepted and published and on 3 July 1996 Hermes International filed Notice of Opposition to the application. The grounds of opposition as set out in the accompanying statement of case are, in summary:

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(1) that the opponents are the proprietors of the trade mark HERMES which is registered in the United Kingdom for a wide range of goods and services. That the opponents have used the mark HERMES extensively in the United Kingdom over a long period for a wide range of goods and services.

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(2) that the applicants' trade mark should not be registered because it offends Section 5(2)(b) in that 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 and there exists a likelihood of confusion.

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(3) that the trade mark in suit should not be registered because it offends against the provision of Section 5(3)(b) in that it is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected and 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 repute of the earlier trade mark; and

- 5 (4) that the applicants' trade mark should not be registered since it offends against Section 5(4)(a) in that its use in the United Kingdom is liable to be prevented by virtue of the law of passing off.

10 The applicants filed a counterstatement denying the grounds of opposition. Both sides seek an award of costs. The matter came to be heard on 6 December 1999 when the applicants were represented by Mr M Needleman of Withers & Rogers, and the opponents were represented by Ms L Lane of Counsel instructed by Linklaters.

15 As a preliminary point I dealt with an application by the opponents to amend the grounds of opposition to include Section 5(2)(a) of the Trade Marks Act 1994. I gave a short oral decision allowing the amendment. In allowing this amendment to the statement of grounds I noted that the opponents' statement did not provide details of the trade mark registration(s) on which the opponents sought to base their claim of an earlier right under Sections 5(2)(a) and (b) and 5(3). These details were not to be found either in their evidence. The existence of an earlier right is a prerequisite for a claim under Sections 5(2) and 5(3) and without the details of prior rights the opponents would have been unable to sustain their claim under these sections. Ms Lane sought therefore to rely on the details of the opponents' trade marks provided as Exhibit DNA1 to the applicants' evidence. As stated at the hearing, such a situation is very unsatisfactory. Professional advisers must have regard to the need for evidence or relevant information in drawing up a notice of opposition. On this occasion I was willing to allow the opponents to rely on the details of their trade marks provided by the applicants because no one was prejudiced by doing so. A list of the trade marks on which Ms Lane sought to rely is attached as Annex I to this decision.

Opponents' Evidence

30 This consists of a single statutory declaration dated 20 January 1997 by Jean-Louis Dumas the President of Hermès International, the opponents. Mr Dumas confirms that he is fully conversant in the English language.

35 Mr Dumas says that his company is the successor in title to Hermès Gestion S.A. of which he was also the President. He explains that this company together with a number of distribution subsidiary companies form the Hermès Group of Companies. At JLD1 he exhibits a chart showing the structure of the Hermès group. This shows Hermès International with a number of subsidiary and affiliated companies.

40 Mr Dumas states that Hermès was founded in 1837 when Thierry Hermès commenced business as a harness maker in Paris. He gives various details about the early history of the company and its expansion and diversification. During the 1920's the company diversified the range of products produced by the company to include clothing, luggage, jewellery, gloves, handbags, gold articles and diaries. He points out that during this period particular attention was paid to preserve the high degree of quality and refinement characteristic of all Hermès hand-crafted luxury goods. He states that at this time the company also expanded overseas. At JLD2 he exhibits an English translation of a notarial certificate which gives further information about the history of Hermès.

Mr Dumas goes on to state that as a result of this exceptional growth, Hermès has acquired a truly international presence, together with a considerable reputation in handcrafted luxury goods throughout the world. He refers to the chart exhibited at JLD1 and notes that many of the companies are located in countries other than France. In support of his assertion that the company has an international presence Mr Dumas states that there are approximately 250 retail outlets spanning some 150 towns and cities around the world and that on average 5 or 6 new stores are opened every year. At JLD3 he exhibits a map of the world showing geographical distribution of these sales outlets. The map is undated but the last date of opening is shown as 1993. The map shows a spread of outlets across Europe, North America, Australasia and Asia.

Mr Dumas states that these figures together with the fact that Hermès employs some 3,366 persons worldwide are themselves evidence of Hermès global presence and subsequent substantial reputation and worldwide fame that is now attached to the name Hermès.

Mr Dumas says that distribution in the United Kingdom is via Hermès retail outlets and other luxury stores and is co-ordinated by Hermès G.B. Limited. He says that the outlets are situated in the more prestigious shopping areas in London, namely, Sloane Street, New Bond Street and The Royal Exchange. In addition, there are concessionary boutiques in well-known stores such as Harrods of Knightsbridge and Frasers at Buchanan Street, Glasgow. Products are also made available through the duty-free network throughout the United Kingdom. Mr Dumas states that sales made by HERMES G.B. Ltd from 1988 onwards have been as follows:

Year	£'000 (approx.)
1988	4,555
1989	6,465
1990	5,040
1991	5,380
1992	5,750
1993	9,761
1994	10,960

Mr Dumas goes on to state that a wide range of Hermès luxury goods and services are available at each sales outlet, including but not limited to the following:-

perfumes, perfumery products, jewellery, watches, shoes, scarves, porcelain, crystal, glassware, clothing, hats, gloves, belts, silk, silk accessories, ties, ready to wear clothing, (men's and women's fashions), tableware, textiles, diaries and stationery, enamelware, Art of Living, harnesses, saddlery re-riding equipment, furniture, luggage, bags and other leather goods, fine art valuation services and auction services.

At JLD4 he exhibits a list of launch dates for various important Hermès brands. The list shows dates from 1892 (travel bag) through to 1995. As the application is dated 1994 only those that occur before that date can be taken into consideration. I note that by far the majority of products listed fall into the category of perfumes, jewellery, shoes, scarves, crystal, glassware, porcelain, luggage and bags.

Mr Dumas states that the name and mark HERMES is the most valuable asset belonging to the Hermès Group. He states that it is widely agreed that the value of the HERMES name has been significantly increased as a result of the continuous expansion without recourse to licenses, thus retaining complete control over the name and the quality of the products. He says that this is recognised by the flotation on the Stock Exchange. At JLD5 he exhibits details of the Stock Exchange listing of Hermès International.

Mr Dumas says that in order to preserve the value of the name HERMES, trade mark registrations have been obtained on a worldwide basis. At JLD6 he exhibits a list of all the countries in which Hermès has registered or have applied to register marks consisting of or comprising the word HERMES. The list shows various countries throughout the world. Mr Dumas states that in order to understand the scale on which Hermès operates, it is important to note the wide variety of goods and services for which protection has been sought and obtained. At JLD7 he exhibits a list of all the United Kingdom trade mark applications and registrations comprising the word HERMES owned by Hermès International. Mr Dumas states that the broad scope of goods and services indicates the breadth of commercial dealings undertaken by Hermès. However, I note that the list merely shows the class headings and does not show the goods/services covered by the applications/registrations.

Mr Dumas explains that Hermès has built its good name on the quality and variety of products sold under the HERMES name and so only selective use is made of advertising in certain quality publications such as ‘The Tatler’, ‘Marie Claire’ and in-flight magazines. He says that he understands that such magazines circulate in the United Kingdom. At JLD8 he exhibits examples of such advertisements. Most appear to be undated, one, ‘Highlife British Airways’ is dated 1997 and is after the material date. The other advertisements are for perfume and silk scarves/ties.

Mr Dumas goes on to state that for promotional purposes, much greater emphasis is placed on a publication known as ‘Le Monde D’Hermès’. It is produced twice a year and provides information about the opponents’ new and existing products. Mr Dumas declares that this publication is produced in four languages and is sent to a select list of recipients all over the world of which some 9,000 are situated in the United Kingdom. At JLD9 he exhibits a copy of the front page of Le Monde D’Hermès for the years 1991, 1995 and 1996. He estimates that the opponents have spent, in total, the following sums on promotion in the United Kingdom since 1988:

Year	£’000 (approx.)
1988	793
1989	1,119
1990	968
1991	695
1992	757
1993	772
1994	700

Mr Dumas states that other means of promotion of the name HERMES are through exhibitions and the winning of prestigious prizes for many of their better known products. At JLD10 he exhibits details of such promotional activities. He says that Hermès has become one of the leading names

in luxury goods and services together with Cartier and Christian Dior. At JLD11 he exhibits turnover figures showing a comparison between these three companies in relation to the sale of silk scarves. The figures are for 1992 and Hermès is shown as selling over three times the number of silk scarves as Christian Dior.

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Mr Dumas says that the name HERMES is well-established and renowned all over the world in relation to a wide variety of hand-crafted luxury goods and is synonymous with a high degree of quality, style and refinement. As a consequence, he states that any use of the name HERMES by any other individual or company can only be detrimental to the reputation inherent in the name HERMES. Mr Dumas says that the vast range of goods and services for which his company uses the name HERMES confirms that the supply of any goods or service whatsoever by another under this name, or any variation thereof, would cause confusion and deception among the public as to whether these goods/services were in some way associated with or have in fact been authorised by Hermès.

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Mr Dumas goes on to state that the applicants' mark is clearly identifiable as the word HERMES and he can only assume that the applicants have chosen this word because of its inherent association with high quality goods and services. He states that the cleaning, repair and restoration of furniture, pictures, fine art objects and clothing together with the valuation and auctioning of such goods are an integral part of the services offered by Hermès. He says that they have personnel devoted exclusively to these services and it would be a natural extension of their business to include the rental, leasing and brokerage of prestigious properties together with their development, refurbishment and restoration. They have not done so up to now but he says that it is possible that they may do so in the future. He concludes by stating that he has no doubt that a third party would automatically associate these latter services being offered under the name HERMES with the former and would assume that there was a connection with Hermès the well-known manufacturer of luxury goods and services.

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Applicants' Evidence

This consists of a statutory declaration dated 21 April 1997 by Mr Douglas Neil Atkinson the Managing Director of Hermes Properties Limited. He says that his company was incorporated on 31 July 1991 and has provided services in relation to property investment services; rental of accommodation; management; rental, leasing and brokerage of properties; property development; refurbishment and restoration of buildings since August 1991.

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Mr Atkinson states that his company has bought and sold several properties since its incorporation and he gives details of four such sales. He explains that prior to filing the application in suit his trade mark advisors carried out a search of the trade mark database to determine that the mark was free for use in relation to the services listed above. At DNA1 he exhibits a copy of the report. Mr Atkinson notes that whilst it is true to say that the opponents have several registrations for the trade mark HERMES, or incorporating the word HERMES, none of those registrations cover identical or similar services to those services advertised in the Trade Marks Journal for his company in relation to the application in suit.

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Mr Atkinson also says that it should be noted that the opponents do not have a monopoly in the use or registration of the word HERMES as a Trade Mark. He says that up to the 2 June 1995 there were 75 marks on the Register for the word HERMES, or incorporating the word HERMES, 24 of those registered belonging to proprietors other than the opponent.

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Referring to the report exhibited at DNA1 he notes that registration number 683468 for a HERMES is in the name of Kay & Company Limited for “watches” and a HERMES registration number 1288596 in the name of the opponents for “Clocks, jewellery, all included in class 14, but not including jewellery in the form of or incorporating watches”. He states that he is advised that clocks and watches are considered to be similar goods in that the purpose and channels of trade are the same. He also notes that there is a registration of a HERMES and device trade mark number 1467196 in the name of Hermes Kreditversicherungs AG for insurance services and that the opponents have registrations for HERMES which cover valuation of furniture and pictures. He says that there is a likelihood of confusion between these two registrations as there is a connection between the services covered by the registration in that the valuation of pictures is usually required for insurance purposes.

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Mr Atkinson states that he is of the view that the likelihood of confusion or association between his company’s services and the reputation reputedly acquired by the opponents in the luxury goods field as set out in paragraph 6 of Mr Dumas’ statutory declaration is negligible. He states that the services provided by his company are totally unrelated and in a completely different area of interest to those provided by the opponents. Mr Atkinson notes that in paragraph 12 of Mr Dumas’ statutory declaration it is admitted that the opponents do not offer services relating to rental, leasing or brokerage of properties and it does not state that the opponents intend to offer these services.

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Mr Atkinson refers to Mr Dumas’ statement that the “supply of any.....services whatsoever by another under this name,....., would cause confusion and deception among the public as to whether those.....services were in the some way associated with or have in fact been authorised by Hermes”. He says that his company was incorporated on 31 July 1991 and has provided services under the mark since at least August 1991. He goes on to state that no instances of confusion have been brought to his company’s attention and the opponents have not produced any evidence to show that, at the filing date of the application in suit, confusion and deception have arisen or was likely to arise.

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At DNA2 he exhibits a copy of a report commissioned from the London Law Agency Limited listing companies with the word HERMES included in the name of the company. He says that there are 80 such companies and that therefore, it is quite clear that the opponents do not have a monopoly in the word HERMES either as a trade mark or as part of a company name. Mr Atkinson states that the opponents have not adduced any independent evidence to show that it has a reputation in the United Kingdom and that use of the mark HERMES by his company is detrimental to the distinctive character of the opponents’ mark. He goes on to say that in view of the large number of trade mark registrations and company names used by companies unconnected with the opponents, it seems unlikely that the opponent can successfully claim that any use in respect of activities for which the opponents do not have a registered Trade Mark takes unfair advantage of its reputation.

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Finally, Mr Atkinson states that his company chose its name in an honest and fair way and disputes comments made in the opponents' declaration that there is a natural extension from the opponents' business into the activities of interest to his company. He concludes by stating that the word HERMES is distinctive of his company's services provided under this mark and the application should be allowed to proceed to registration.

Opponents' Evidence in Reply

This consists of a further statutory declaration by Mr Dumas. Mr Dumas notes the contents of the applicants' evidence. He states that the fact that a trade mark search was carried out before the application was made it not in itself sufficient justification as to why the application should be accepted for registration. He says that the state of the register does not indicate whether the marks shown in the search are in fact in use and it is submitted that this is the true test in determining "that the mark was free for use in relation to those services".

Referring to the 24 registrations mentioned in Mr Atkinson's declaration which consist of include the word HERMES and which are not in the name of his company, he states that the vast majority of the marks can be accounted for by way of coexistence agreements or that they have been the subject of or still are the subject of opposition proceedings. In particular, Mr Dumas refers to five such coexistence agreements and four applications/registrations that are or have been the subject of opposition proceedings. In addition, he states that three of the registrations 1,217,152, 1,217,153, and 1,217,154 in the name of Ensee Limited have been assigned to his company.

Regarding paragraph 10 of Mr Atkinson's declaration concerning registration number 683468, Mr Dumas says that these comments are redundant as the mark has been transferred to Hermès International. At JLD1 he exhibits details of this registration.

Mr Dumas disputes Mr Atkinson's statement that the services provided by the applicant company are totally unrelated to those provided by the opponents. He refers to his earlier evidence in these proceedings and statement that the reputation acquired by his company is not only firmly established but also extends well beyond the field of luxury goods. He repeats his assertion concerning the possible extension of his companies services into the area the subject of the application and he restates his view that a third party would assume some connection with his company.

With regard to exhibit DNA2 to Mr Atkinson's declaration Mr Dumas states that it is not strictly relevant as the number of companies comprising or including the word HERMES does not necessarily mean that they are trading under this name. Mr Dumas strongly denies the applicants' assertion that the word HERMES is distinctive of the applicants' services. He says that the applicant company was incorporated only 6 years ago and no details of substantial use of the mark in relation to services offered are given. In conclusion, Mr Dumas repeats his assertion that the applicants have chosen the word HERMES because of its inherent association with high quality goods and services stemming from the reputation and goodwill firmly established in his Company's name HERMES from its founding in 1837.

Applicants’ and Opponents’ Evidence under Rule 13(8)

5 The applicants filed a short statutory declaration from Mr Simon Anthony Beck of Withers and Rogers, the applicants representatives in this matter. The purpose of the declaration was to introduce a copy of an article from ‘The Times’ published on Monday 9 June 1997. The article is attached as exhibit SAB1. The article concerns the expansion of the opponents’ business into the United Kingdom and makes various comments concerning the opponents’ reputation in the United Kingdom. In response, the opponents filed a further short statutory declaration from Mr Dumas, his third in these proceedings. Both sides sought to use this short article although the opponents submitted that it contained the journalist’s personal opinion and so little weight if any should be attached to it. The applicants sought to rely on it to show the opponents’ lack of reputation or alternatively geographically limited reputation, in the United Kingdom. The opponents pointed to the success of their business and the importance and cache of the their trade mark reported in the article. However, I do not find this article to be of much assistance in determining the matters before me and so I take no further note of it.

15 That concludes my review of the evidence.

DECISION

20 I will consider the opposition under Section 5(2)(a) and 5(2)(b) which reads:

5.- (1)

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

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

30 (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,

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

The term “earlier trade mark” is itself defined in Section 6 as follows:

40 “6.-(1) In this Act an “earlier trade mark” means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks,

In considering the issue of confusion I take account of the guidance given by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199. The relevant sections of the ECJ's decision are set out below:-

5 “..... it is clear from the tenth recital in the preamble to the Directive that the appreciation
of the likelihood of confusion ‘depends on numerous elements and, in particular, on the
recognition of the trade mark on the market, of the association which can be made with the
used or registered sign, of the degree of similarity between the trade mark and the sign and
10 between the goods or services identified’. The likelihood of confusion must therefore be
appreciated globally, taking into account all factors relevant to the circumstances of the
case.

15 That global appreciation of the visual, aural or conceptual similarity of the marks in
question, must be based on the overall impression given by the marks, bearing in mind, in
particular, their distinctive and dominant components. The wording of Article 4(1)(b) of
the Directive - ‘there exists a likelihood of confusion on the part of the public’ - shows
that the perception of marks in the mind of the average consumer of the type of goods or
services in question plays a decisive role in the global appreciation of the likelihood of
20 confusion. The average consumer normally perceives a mark as a whole and does not
proceed to analyse its various details.

25 In that perspective, the more distinctive the earlier mark, the greater will be the likelihood
of confusion. It is therefore not impossible that the conceptual similarity resulting from the
fact that two marks use images with analogous semantic content may give rise to a
likelihood of confusion where the earlier mark has a particularly distinctive character, either
per se or because of the reputation it enjoys with the public.”

30 I also take into account the decision of the European Court of Justice in *Canon Kabushiki Kaisha
v. Metro-Goldwyn-Mayer Inc* [1999] RPC 117. In particular I take note of the following:

35 A global assessment of the likelihood of confusion implies some interdependence between
the relevant factors, and in particular a similarity between the trade marks and between
these goods or services. Accordingly, a lesser degree of similarity between these goods or
services may be offset by a greater degree of similarity between the marks, and vice versa.
The interdependence of these factors is expressly mentioned in the tenth recital of the
preamble to the Directive, which states that it is indispensable to give an interpretation of
the concept of similarity in relation to the likelihood of confusion, the appreciation of
which depends, in particular, on the recognition of the trade mark on the market and the
degree of similarity between the mark and the sign and between the goods or services
40 identified.

and

45 It follows that, for the purposes of Article 4(1)(b) of the Directive, registration of a trade
mark may have to be refused, despite a lesser degree of similarity between the goods or
services covered, where the marks are very similar and the earlier mark, in particular its
reputation, is highly distinctive.

Finally the court gave the following judgment on the interpretation of Article 4(1)(b):

5 “On a proper construction of Article 4(1)(b) of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks, the distinctive character of the earlier trade mark, and in particular its reputation, must be taken into account when determining whether the similarity between the goods or services covered by the two trade marks is sufficient to give rise to the likelihood of confusion.

10 There may be a likelihood of confusion within the meaning of Article 4(1)(b) of Directive 89/104 even where the public perception is that the goods or services have different places of production. By contrast, there can be no such likelihood where it does not appear that the public could believe that the goods or services come from the same undertaking or, as the case may be, from economically-linked undertakings.”

15 In relation to the ground of opposition under Section 5(2) Ms Lane sought to rely on the opponents’ trade marks 1406316, 1336043 and 1336047. I think that this is right. These trade marks are included in Annex I and are all for the trade mark HERMES. Two of these are in a slightly stylised form, and they cover a range of services. In my view the services covered by these registrations are the closest to those covered by the application. If the matter falls to be determined
20 by reference to the similarity of services the opponents can be in no better position with any of the other trade marks than they are in respect of these three.

25 It was Ms Lane’s submission that the opponents’ trade marks were identical with the trade mark in suit. This point was conceded by the applicants. I think that this is right, to the extent that there is slight stylisation in two of the opponents’ trade marks I do not think that this is enough to take away the fact that they are all HERMES trade marks. As the trade marks are identical the matter will therefore fall to be decided under the provisions of Section 5(2)(a), the reference to Section 5(2)(b) is therefore otiose.

30 As it is common ground that the trade marks are identical I need only consider the similarity of the services. The services covered by the application in suit relate to a range of services which include; property investment services; rental of accommodation; management, rental, leasing and brokerage of properties and property development; refurbishment and restoration of buildings.

35 The opponents’ registrations cover services including; the valuation of furniture and pictures, the cleaning, repair and restoration of furniture, pictures, fine art objects and the authentication of furniture, pictures, and fine art objects and interior decorating.

40 In determining the question of whether there is a similarity of services, both parties sought to rely on the test set out by Mr Justice Jacobs in *British Sugar Plc v James Robertson & Sons Ltd* [1996] R.P.C. 281. These, so far as they relate to this case, can be summarised as:

- (a) the respective uses of the respective services;
- 45 (b) the respective users of the respective services;
- (c) the physical nature of the acts of services;

- (d) the respective trade channels through which services reach the market;
- (e) the extent to which the respective services are competitive.

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Whilst these factors are relevant, it is clear from decisions of the ECJ set out above that the test of similarity of services is only part of the global appreciation of respective trade marks.

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Ms Lane, whilst acknowledging that the respective uses of the services covered were not identical, sought to establish an overlap between the services. Her submissions were based on the premise that the services covered by the application, relating to property rental, brokerage and refurbishment, might well include the valuation of furniture and furnishing, the cleaning and repair of furniture covered by the opponents' registrations. The opponents' registration 1336047 covers interior decorating and again Ms Lane suggested that this service might well be involved in the rental, management, brokerage, refurbishment and restoration of property.

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Ms Lane suggested that the services were prima facie similar or in any event sufficiently similar for the purpose of Section 5(2)(a) when considered in the context of the reputation of the name HERMES and the identity of the trade marks. Mr Needleman argued that the respective services of the opponent and applicant were not similar. However, he did concede that there may be some overlap in respect of interior decorating.

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In my view, with the exception of interior decorating the uses and users of the respective services and the physical nature of the services are not similar. I have no evidence for example that a tenant would expect the company that rented him or her the property to also provide (directly) the service of furniture restoration. I do not think that there is a prima facie similarity between the cleaning, restoration, valuation and authentication of furniture and other fine art objects and the services of property investment, development, refurbishment and restoration, or the rental, management, leasing and brokerage of properties. Further, I do not find that these services would be provided through the same trade channels.

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However, as stated above the question of the similarity of services must be considered globally. I have to ask myself whether the distinctive character of the opponents' trade mark, together with any reputation they may have, is enough to offset my finding that the services are, prima facie, not similar. In that regard I have no doubt that the opponents' trade mark has a distinctive character. Although it would appear to originate from the surname of the founder of the company it is not a common surname in the United Kingdom. Others may associate it with the Greek messenger god Hermes.

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Ms Lane sought to claim that the opponents have a reputation and based her claim on the evidence of Mr Dumas submitted in these proceedings. In my view, it is not enough for the opponents to show that they have a reputation in relation to some of the goods or services covered by their many trade mark registrations. If the opponents are to succeed under Section 5(2)(a) they must, in my view, show that they have a reputation in relation to the services covered by the registrations on which they rely. In Mr Dumas' statutory declaration he states that the full range of goods and services are provided at each of his company's shops and turnover figures for the years 1988

through to 1994 are provided. However, no breakdown is provided as between the goods and services. I have therefore no evidence before me that shows that the opponents do provide these services and whether as a result they have established a reputation in respect of the services covered by their registrations. In the absence of such evidence I am not willing to infer a reputation for the services. It seems clear from the opponents' evidence that the bulk of their sales relate to what might be classed 'luxury goods' rather than anything else.

Taking all the above into account, it seems to me that the applicants' and the opponents' services are different and that the opponents have failed to establish any reputation in their trade marks for the services covered by the registrations to displace that view. Thus, no one in my view would confuse the respective trade marks. The respective trade marks and services being not similar the opposition under Section 5(2)(a) is dismissed.

Next I consider the ground of opposition under Section 5(3) which reads:

“(3) A trade mark which -

(a) is identical with or similar to an earlier trade mark, and

(b) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,

shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

It is a requirement of this section of the Act that the opponents must have an earlier trade mark, registered for goods or services not similar to those the subject of the application in suit. Ms Lane sought to rely on the opponents' trade marks registration numbers 1288596, 1288598, 1288599 and 645631. These cover a wide range of goods which I find are dissimilar to the services the subject of the application. Therefore, the first requirement of section 5(3) is met.

I go on to consider whether the opponents' earlier trade mark(s) have a reputation. Ms Lane argued that the opponents' evidence showed that they had. She sought to rely on the evidence of turnover figures, advertising expenditure and the statements made by Mr Dumas concerning the opponents' reputation. Ms Lane referred to the Hearing Officer's comments in *AUDI-MED* [1998] RPC 863. In that case the opponents provided evidence of turnover figures and advertising expenditure and the Hearing Officer found this to be sufficient to establish the opponents' claim to have a reputation. But in that case it was in respect of a limited range of goods and services. That is not the case here. The opponents claim to provide a wide range of goods and services. The sales figures and advertising expenditure appear modest in comparison to the breadth of items covered and in the absence of further specific evidence I am not willing to infer a reputation. I am comforted in my view by the guidance given by the ECJ in *General Motors Corporation v Yplon SA* [1999] E.T.M.R. 122. In particular I note the following:

“Certainly it seems to me that, if the notion of mark with a reputation is to have any meaning, it must be established that the mark is known to a significant part of the relevant

sectors of the public. It seems doubtful, however, whether it is necessary to specify in detail the requirements to be satisfied by a mark with a reputation.”

Later the court stated:

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“...the courts should for a realistic assessment of reputation use a variety of criteria which might include, for example, the degree of knowledge or recognition of the mark in the relevant sectors of the public; the duration, extent and geographical area of use of the mark; and the scale and scope of investment in promoting the mark.”

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In the present case the relevant public will be those concerned with the products and services of the opponents and applicants, that is the general public. I have nothing before me that shows that the opponents’ trade mark is known to a significant part of the relevant public.

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Even if I am wrong not to infer a reputation from the evidence before me I do not think that it takes me to the point where I can find for the opponents under Section 5(3). In *AUDI-MED* the Hearing Officer noted:

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“Any use of the same or similar mark for dissimilar goods or services is, to some extent, liable to dilute the distinctiveness of the earlier mark. The provision is clearly not intended to have the sweeping effect of preventing the registration of any mark which is the same as, or similar to a trade mark with a reputation.”

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Further, in *General Motors* the ECJ noted the positive wording of Article 5(2) of the directive and stated:

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“Above all, it is necessary to give full weight to the provisions of Article 5(2) as a whole. Thus the national court must be satisfied in every case that the use of the contested sign is without due cause; and that it takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the mark. These requirements, properly applied, will ensure that marks with a reputation, whether or not the reputation is substantial, will not be given unduly extensive protection.

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It is to be note in particular that Article 5(2), in contrast to Article 5(1)(b), does not refer to a mere risk or likelihood of its conditions being fulfilled. The wording is more positive: “takes unfair advantage of or is detrimental to” (emphasis added). Moreover, the taking of unfair advantage or the suffering of detriment must be properly substantiated, that is to say, properly established to the satisfaction of the national court: the national court must be satisfied by evidence of actual determent, or of unfair advantage.”

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There is nothing before me to show that use of the applicants’ trade mark is without due cause, and will take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark. In support of her argument Ms Lane referred to the decision of the Appointed Person in *Visa Trade Mark* (as yet unreported). However, I do not consider it to be of assistance in this case. Therefore, I conclude that the ground of opposition under Section 5(3) fails.

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I move on to consider the ground of opposition under Section 5(4)(a) the relevant parts of which read as follows:

5.-(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an "earlier right" in relation to the trade mark.

Ms Lane's submissions concerned the application of the law of passing off. Mr Geoffrey Hobbs QC set out the basis for an action for passing-off in *WILD CHILD Trade Mark* [1998] RPC 455. The relevant part reads as follows:

'A helpful summary of the elements of an action for passing-off can be found in Halsbury's Laws of England 4th Edition Vol 48 (1995 reissue) at paragraph 165. The guidance given with reference to the speeches in the House of Lords in *Reckitt & Colman Products Ltd -v- Borden Inc* [1990] RPC 341 and *Erven Warnink BV -v- J Townend & Sons (Hull) Ltd* [1979] ACT 731 is (with footnotes omitted) as follows:

"The necessary elements of the action for passing-off have been restated by the House of Lords as being three in number:

- (1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;
- (2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the defendant are goods or services of the plaintiff; and
- (3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing-off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of 'passing-off', and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing-off which were not under consideration on the facts before the House"

Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that;

5 “To establish a likelihood of deception or confusion in an action for passing-off where there has been no direct misrepresentation generally requires the presence of two factual elements:

10 (1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

15 (2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

20 While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

25 In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

30 (a) the nature and extent of the reputation relied upon;

35 (b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

40 (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

45 (d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

50 (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

55 In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.” ’

60 The first element in the tort of passing off is that the opponents’ goods have acquired a goodwill or reputation in the market and are known by some distinguishing feature. The evidence put forward by the opponents to demonstrate that they have acquired a goodwill is, for the reasons set out above, insufficient. Ms Lane argued that the opponents should not be put to the expense of conducting a survey and the like in order to establish a reputation. However, I would say that, in the majority of cases, it will be necessary to go beyond the sort of evidence provided here.

If I am wrong to find that the opponents have not shown the necessary goodwill or reputation I go on to consider whether there would be a misrepresentation. As set out in the above quote from Halsbury's, the reputation of the opponents' trade mark HERMES among a relevant class of person is a factor to be taken into account when considering the likelihood of misrepresentation. It is also necessary to consider whether members of that class will mistakenly infer from the applicants' use of their trade mark HERMES that the applicants' services are from the same source or connected. Although these appear to be two successive elements they should be considered as a single question of fact. Firstly, and for all the reasons set out above in respect of Section 5(2) I find that the services of the opponents and applicants are not similar.

Ms Lane relying on *Lego System A/S v Lego . Lemelstrich Ltd* [1983] FSR 155 argued that it was not necessary for the plaintiff and defendant to have a "common field of activity". That is so, however, in *Lego* the court was of the view that the proximity of the defendants field of activity to that of the plaintiff will be relevant as to whether the defendants' acts amount to a misrepresentation in any particular case. In that case, it was conceded by the defendants that Lego was a household name and substantive evidence of the extent of that reputation had been filed by the plaintiffs. The Court found that the reputation of Lego extended far beyond the area in which they were engaged at the time. In the instant proceedings there is no such concession and I have found the respective services are not similar. Therefore, I am unable to hold that misrepresentation is likely in this case. No evidence of any likely damage was put before me. Taking all of this into account the ground of opposition based on Section 5(4)(a) is not made out.

As the applicants have been successful in these proceedings I order the payment to them of the sum of **£850-00** by the opponents as a contribution towards their costs.

Dated this 11 day of February 2000

M.KNIGHT
For the Registrar
the Comptroller-General.

ANNEX I

Registration number 1406316

5 **HERMES**

Valuation of furniture and pictures; all included in Class 36.

10 Registration number 1336043

15 **HERMÈS**

The cleaning, repair and restoration of furniture, pictures, fine art objects and clothing; all included in Class 37.

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Registration number 1336047

25 **HERMÈS**

30 Authentication of furniture, pictures, and fine art objects; clothing rental; beauty and hair-dressing salon services; cosmetic research; interior decorating; provision of fashion advice and information; industrial research into the development of new perfume products; all included in Class 42.

Registration number 1288596

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HERMÈS

40 Clocks; jewellery; all included in Class 14; but not including jewellery in the form of or incorporating watches.

Registration number 1288598

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HERMES

50 Leather, imitation leather and articles made from the aforesaid materials; animal skins, hides; trunks, suitcases, travelling bags; umbrellas, walking sticks, parasols: whips, harness, saddlery; all included in Class 18.

Registration number 1288599

HERMES

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Tableware, glassware, porcelain and earthenware; all included in Class 21.

Registration number 645631

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HERMES

Coats, waistcoats and jackets (none being of leather), costumes, skirts, dresses, trousers, bathing costumes, pyjamas and scarves.