

TRADE MARKS ACT 1994  
IN THE MATTER OF APPLICATION No 2148699  
BY TIMESHARE COUNCIL  
TO REGISTER A SERIES OF TWO TRADE MARKS  
IN CLASSES 16,35,36,41 & 42

AND IN THE MATTER OF OPPOSITION THERETO  
UNDER NUMBER 49971  
BY THE TIMESHARE COUNCIL SL

## DECISION

### BACKGROUND

1) On 22 October 1997, Timeshare Council of 23 Buckingham Gate, London SW1E 6LB applied under the Trade Marks Act 1994 for registration of the trade mark below:



The applicant claims the colours blue and orange as an element of the second mark in the series.

Application for a series of two marks.

2) In respect of the following goods:

In Class 16: “Printed matter and printed publications; stationery; instructional and teaching material”.

In Class 35: “Organisation of media events; publication of publicity texts; publicity services; preparation of publicity material; computerised database management; compilation of mailing lists; promotional services; public relations services; market research; market surveys; organisation and operation of incentive schemes, loyalty schemes, bonus schemes and points-based holiday clubs; information and advisory services relating to all the aforesaid services”.

In Class 36: “Timeshare property management and exchange services; issuing and redemption of vouchers, tokens and points of value; information and advisory services relating to all the aforesaid services”.

In Class 41: “Education and training services relating to the timeshare industry; specialist library services; provision of information and advice relating to timeshares; publication of newsletters; organisation, arranging and conducting of conferences, conventions and exhibitions; information and advisory services relating to all the aforesaid services”.

In Class 42: “Conciliation services; provision of legal services; press cutting and monitoring services; lobbying services; leasing of access time to databases; timeshare exchange services; information and advisory services relating to all the aforesaid services”.

3) On the 8 July 1999 The Timeshare Council SL filed notice of opposition to the application. The grounds of opposition are in summary:

i) The opponent has been using the mark “TC Timeshare Council” , which is the subject of UK Trade Mark Application No 2148888 and Spanish Registered Trade Mark No 2078722 extensively in the UK in relation to real estate services with regard to timeshare ownership and purchase.

ii) The application should be refused under Section 3(6) as it was made in bad faith.

iii) Use of the applicant’s trade mark in the United Kingdom is liable to be prevented by the law of passing off, and so the application should be refused under Section 5(4).

4) The applicant subsequently filed a counterstatement denying all of the grounds of opposition, other than agreeing that the opponent has applied for UK Trade Mark number 2148888. Both sides ask for an award of costs. Both sides filed evidence in these proceedings and the matter came to be heard on 24 August 2001 when the applicant was represented by Ms McFarland of Counsel instructed by Messrs Fitzpatricks. The opponent was not represented.

#### OPPONENT’S EVIDENCE

5) The opponent filed a declaration, dated January 2000, by James Hutchinson a non-executive Director of The Timeshare Council S.L., the opponent. He has held this position since May 1998 having been a director of the company for a year prior to this.

6) Mr Hutchinson states that he has access to the records of the opponent company. He claims that in August 1996 he designed for the opponent company a logo which now forms the basis for the opponent’s UK Trade Mark application. The logo exhibited at JH1 is reproduced below:



7) Mr Hutchinson states that logo was inspired by a sign, designed for Mr Hutchinson, in 1994. A photograph of the sign is provided at exhibit JH2 and shows what I assume to be a depiction of a sundown over the sea. The top half of the circle being the sun in orange with “sunrays” emanating from it, the bottom half of the circle is in blue, depicting the sea.

8) Mr Hutchinson claims that the logo has been used worldwide in relation to the provision of timeshare holidays since 30 January 1997. At exhibit JH3 he provides a list of countries in which he claims the logo has been utilised. The exhibit consists of two pages from a brochure which shows all the regions of the world. However, the logo does not appear on the exhibit filed, nor does the name of the opponent company. The only name visible is “RCI: Directory of Resorts”.

9) Mr Hutchinson states that the company applied for the mark in the UK on 24 October 1997. An application for the same mark was filed in Eire on 29 October 1997 and in Spain on 6 March 1997. He claims that prior to 22 October 1997 his company had used their logo extensively in the UK. He claims that the opponent set out some 103,000 letters to clients and prospective clients in the UK. He claims that the applicant must have seen one of these letters and applied to secure the logo for themselves. At exhibit JH5 is an example of one of the letters sent to UK clients. The letter has the logo but is not dated.

#### APPLICANT’S EVIDENCE

10) The applicant filed a declaration, dated 17 April 2000, by Frank Watson Chapman a director of the applicant company, a position he has held since October 1991.

11) Mr Chapman states:

“The Company was incorporated on 18<sup>th</sup> June 1990. It is the official trade body for the United Kingdom timeshare industry, and is now the UK chapter of the Organisation for Timeshare in Europe, the European trade body. One of its roles is to offer help and advice to persons who own or are considering purchasing timeshare whether in the United Kingdom or in another country. The company has been using the name “The Timeshare Council” since October 1990.”

12) At exhibit TC1 Mr Chapman provides a copy of the applicant’s incorporation and change of name ( on 26 October 1990) certificates. Also provided is a copy of a letter dated 2 November 1990 with the name shown on the headed notepaper. Other uses on press releases in 1993 and 1994 are provided.

13) Mr Chapman claims that the logo was designed for the applicant in 1994 and that they have been assigned the copyright. He states that the logo “comprised a circle representing the sun, lines representing the four points of a compass, the letters TTC and the words The Timeshare Council.” He states that the logo was launched on 15 April 1994 with copies circulated to members. Copies of the assignment of copyright and circular to members are provided at exhibit TC2. At exhibit TC3 copies of promotional material are provided dated between July 1994 and November 1995. This promotional material carries an earlier version of the mark applied for.

14) In 1996 the logo was amended so that there are only two letters “TC” instead of three”TTC”. It is this amended logo which the applicant is seeking to register. Mr Chapman claims that this amended logo was first used in February 1996. The company formally changed its name to

Timeshare Council on 1 June 1998. The amended copyright in the new logo has also been assigned to the applicant. A copy of the assignment dated 11 April 2000 is provided at exhibit TC4. Also in this exhibit are copies of documents from February and March 1996 showing use of the amended logo.

15) Various examples of use of the logo since March 1996 are provided at exhibit TC5. Mr Chapman comments that the opponent does not state that they own the copyright to the sign designed for them nor is any use of the sign as a logo or trade mark in the UK provided. He also claims that the opponent company was only incorporated on 30 January 1997. Mr Chapman also claims that the opponent began using the applicant's logo and name on letters. Copies of various letters and also letters from the applicant's solicitors to the opponent are provided at exhibit TC6.

16) Mr Chapman states that as a result of this usage and the various complaints that the applicant received press statements had been issued by the applicant pointing out that it had no connection with the opponent. Copies of these are provided at exhibit TC9 and 10.

#### OPPONENT'S EVIDENCE IN REPLY

17) The opponent filed a witness statement, dated 16 October 2000, by James Hutchinson. Mr Hutchinson refutes the applicant's claim that they are recognised as the official trade body of the UK timeshare industry. At exhibit JH2:1 he provides a fax from the Department of Trade and Industry. This was written in response to a letter from the opponent's solicitor asking if the Department recognised the applicant as the official trade body. The reply states that "The Department recognises the Timeshare Council in London (now known to us as the Organisation for Timeshare in Europe as the lead representative body for the timeshare industry in the UK".

18) Mr Hutchinson states that the applicant does not represent all the British timeshare developers and he provides copies of a website at exhibit JH2:2 which has a number of complaints regarding the applicant. He also claims that representatives of the company which designed the applicant's logo "were regularly taking photos of the premises of James Hutchinson Holiday Resorts (JHHR)". He further claims that Exhibit TC5 of the applicant's evidence shows use of the logo by the applicant whilst its members were still using the old logo.

19) Mr Hutchinson states that when devising his trade mark "I thought that TIMESHARE COUNCIL was an apt description and in many ways had an air of authority". He also states that the letters included in the applicant's evidence at exhibit TC6 in fact bear the opponent's mark not the applicant's mark as claimed. He also states that the threatened legal action never occurred.

20) Lastly Mr Hutchinson claims that the applicant has no intention of using its mark. At exhibit JH2:7 he provides an investigators report dated June 2000. The investigator states that there is no telephone listing for the Timeshare Council in London(TCL), only a number for the Organisation for Timeshare in Europe (OTE). At the London address provided for TCL the name plate shows only the name of OTE. Literature received the organisation has the OTE logo but no mention is made of TCL.

21) That concludes my review of the evidence. I now turn to the decision.

#### DECISION

22) I turn first to the ground of opposition under Section 5(4) which states:

*“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) by virtue of an earlier right other than those referred to in subsections (1) to (3) or paragraph (a) above, in particular by virtue of the law of copyright, design right or registered designs.*

*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.”*

23) In deciding whether the mark in question offends against this section, I intend to adopt the guidance given by the Appointed Person, Mr Geoffrey Hobbs QC, in the WILD CHILD case (1998 14 RPC 455). In that decision Mr Hobbs stated that:

*“The question raised by the Grounds of Opposition is whether normal and fair use of the designation WILD CHILD for the purposes of distinguishing the goods of interest to the Applicant from those of other undertakings (see Section 1(1) of the Act) was liable to be prevented at the date of the application for registration (see Art.4(4)(b) of the Directive and Section 40 of the Act) by enforcement of rights which the opponent could then have asserted against the Applicant in accordance with the law of passing off.*

*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 Even Warnik BV - v - J. Townend & Sons (Hull) Ltd [1979] AC 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 the 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.*

24) With these considerations in mind I turn to assess the evidence filed in the present proceedings as set out earlier in this decision, and the arguments put forward at the hearing.

25) The opponent claims to have used its mark “TC TIMESHARE COUNCIL” in the UK. However, it has failed to provide any corroborative evidence. The only evidence shows use on a single undated letter. Neither have they corroborated claims to have UK customers. I am not persuaded that at the relevant date, 22 October 1997, the opponent had acquired goodwill under the TC TIMESHARE COUNCIL mark in relation to any goods or services in Classes 16, 35, 36, 41 or 42. . The opposition under Section 5(4) therefore fails.

26) Lastly I consider the ground of opposition under Section 3(6) which reads:

*“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”*

27) The Act does not define the term bad faith, leaving it to the Tribunal or the Court to determine whether an application was made in bad faith based upon the circumstances of a particular case. The Notes on Sections, published by the Patent office, and based upon the Notes on Clauses provided to Parliament during the passage of the Trade Marks Bill in relation to Section 3(6) provides examples of where bad faith might be found, these are:

(i) where the applicant had no bona fide intention to use the mark, or intended to use it, but not for the whole range of goods and services listed in the application;

(ii) where the applicant was aware that someone else intends to use and /or register the mark, particularly where the applicant has a relationship, for example as employee or agent, with that other person, or where the applicant has copied a mark being used abroad with the intention of pre-empting the proprietor who intends to trade in the United Kingdom;

(iii) where the mark incorporates the name or image of a well-known person without his agreement. (This should not be taken as meaning that this provision is legislating for the protection of a personal name or reputation - these remain unprotected under English law, but the nexus between unregistrability and the name of a well-known person is that of bad faith in which the application is made.)

28) I also take account of the views of Lindsay.J. in *Gromax Plasticulture Ltd v Don and Low Nonwovens Ltd* (1999 RPC 367 at page 379) where the learned judge said:

*“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.”*

29) It is well established that in an opposition under Section 3(6) of the Act the onus is on the opponent, reflecting the usual approach under English law that he who asserts must prove.

30) The opponent has claimed that the applicant must have seen a letter sent to one of his clients and applied to secure the logo for themselves. He also claims that representatives of the applicant company took photographs of his premises and the logo. In his evidence Mr Hutchinson states

that he commissioned a design in 1994. This design, in my view, is simply a sunset over the ocean. Mr Hutchinson claims that this design inspired his subsequent logo which was designed in August 1996. I note that the applicant has provided clear corroborative evidence of their use of a mark very similar to the mark in suit from 1994. The only difference between this earlier mark and the mark in suit is the deletion of a letter "T". This reflected the change of name of the applicant company from The Timeshare Council (TTC) to Timeshare Council (TC). The opponent has failed to present a prime facie case of bad faith and the ground of opposition based on Section 3(6) is therefore dismissed.

31) The opposition having failed the applicant is entitled to a contribution towards costs. For the applicant, Ms McFarland asked for costs above the normal scale. She pointed out that the hearing was only held at the instigation of the opponent as the applicant had sought to have the matter determined from the papers. Having requested the hearing the opponent's absence at the hearing and the lack of any written submissions was somewhat puzzling, but also delayed the issue and imposed additional costs on the applicant which would not have been incurred had the decision been taken from the papers. In my view the applicant is entitled to an exceptional contribution towards its costs in relation to the hearing.

32) I therefore order the opponent to pay the applicant the sum of £2500. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 17 day of September 2001

George W Salthouse  
For the Registrar  
The Comptroller General