



Neutral Citation Number: [2019] EWHC 2003 (IPEC)

Claim No: IP-2018-000160

**IN THE HIGH COURT OF JUSTICE**  
**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES**  
**INTELLECTUAL PROPERTY LIST (ChD)**  
**INTELLECTUAL PROPERTY ENTERPRISE COURT**

Royal Courts of Justice, Rolls Building  
Fetter Lane, London, EC4A 1NL

Date: Monday 29<sup>th</sup> July 2019

Before :

**Mr RECORDER DOUGLAS CAMPBELL QC**  
**(sitting as a Judge of the Intellectual Property Enterprise Court)**

B E T W E E N:

CLARIDGE'S HOTEL LIMITED

**Claimant**

- and -

(1) CLARIDGE CANDLES LIMITED

(2) DENISE SHEPHERD

**Defendants**

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**Georgina Messenger** (instructed by Urquhart-Dykes & Lord LLP) for the **Claimant**

**Aaron Wood** (of Wood IP Limited) for the **Defendants**

Hearing dates: 16<sup>th</sup> – 17<sup>th</sup> July 2019  
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**APPROVED JUDGMENT**

I direct that pursuant to CPR PD 39A para 6.1 no official shorthand note shall be taken of this Judgment and that copies of this version as handed down may be treated as authentic.

**Recorder Campbell QC:**  
**Approved judgment**

**Claridge's Hotel v Claridge Candles**  
**29<sup>th</sup> July 2019**

**Mr Recorder Douglas Campbell QC:**

**Introduction**

1. Can Claridge's Hotel stop the sale of CLARIDGE branded candles and other goods by the Defendants? Neither side showed me a physical sample of any of the Defendants' products but the Defendants provided the following sample image of their candle as sold:



2. That question is simple enough to state but it is more complicated to answer. I will begin by setting out some background.

*The parties*

3. The Claimant has operated a well-known hotel in London under the name CLARIDGE'S since its incorporation in 1889. Indeed it actually started trading as an unincorporated business under the name CLARIDGE'S in 1856. The First Defendant is a small company incorporated under the laws of England and Wales with an address at a business park in Folkestone, Kent. The Second Defendant is the sole owner and director thereof and lives at 5 Claridge Court, Hempstead, Gillingham, Kent. The Defendants have sold candles (as shown above) and also reed diffusers since around September 2018.

*The Claimant's trade mark registrations*

4. The Claimant obtained two UK trade mark registrations namely no. 2397526 ("526"), filed on 22 July 2005 and no. 2331738 ("738"), filed on 9 May 2003. Both registrations are for the word mark "CLARIDGE'S". This action was commenced by claim form on 12 October 2018, and the Claimant originally relied on both marks. The Defendants counterclaimed for revocation of both marks for non-use by a counterclaim dated 22 October 2018, which I am told was served on the Claimant on 23 October 2018.

5. The Claimant has since voluntarily surrendered the '738 mark, which thus drops out of the picture, and partially surrendered the '526 mark. As a result of an error by the UKIPO, the register of trade marks does not at the moment correctly show the effect of the partial surrender. The correct list of goods and services for which the '526 mark is currently registered is as follows:

*Class 3: "Toiletries; shampoos; conditioners; bath preparations; body lotions; essential oils; shower gels; moisturiser".*

*Class 5: "Bath preparations; hair care and hair cleaning products; hand care and hand cleaning products".*

*Class 16: "Printed publications; magazines"*

*Class 35: "Retail services connected with the sale of food and foodstuffs, drinks (alcoholic and non-alcoholic), flowers and flower arrangements; online electronic retail services connected with the sale of food and foodstuffs, drinks (alcoholic and non-alcoholic); business management of hotels; business management of health clubs and spas; provision of business facilities and services"*

*Class 43: "Hotel, restaurant, cafe and bar services; arranging and booking hotels and accommodation services; accommodation reservation services; provision of facilities for meetings, functions, conferences and conventions; catering services"*

*Class 44: "Provision of beauty treatments and therapies; pedicure and manicure services; depilatory services; cosmetic services; health spa services; massage services; flower arranging services"*

#### *The First Defendant's trade mark application*

6. Separately, the First Defendant filed an application for UK trade mark no. 3281086 for the word mark "CLARIDGE" on 8 January 2018 for various goods in classes 3 and 4, as follows:

*Class 3: Reed Diffusers with scented oils; Diffuser sets with scented refills and reeds; Room perfume sprays; Room fragrance preparations; Potpourri; Perfumery, eau de perfume, eau de toilette, perfume ,cologne, body spray; linen spray for personal use; Soaps; ; hand cream ; body wash; hair shampoo; hair conditioner; bath oil; bath grains; body wash; facial cleanser; facial toner; facial moisturizer; facial lotion ; facial cream and gel; eye cream and gel ; face make up remover; eye make up remover; facial cleansing cream ; facial cleansing lotion; facial and body exfoliating preparations; face and body masques; body powder; hair spray ; hair mousse; hair gel; deodorant /antiperspirant.*

*Class 4: Candles; Fragrance candles; Scented candles; Fragranced candles; Candle wax; Fragrant, perfumed and scented wickless candles; fragrance, perfumed and scented wax bars and chips for use in fragrance warmers.*

7. The Claimant opposed the First Defendant's application on 26 April 2018. That opposition was stayed by the UKIPO on 7 November 2018 pending the result in this action.

8. Some of the goods covered by the First Defendant's trade mark application are goods which the First Defendant has not yet sold, eg perfumery. The Claimant seeks relief in relation to such goods on a *quia timet* basis. The Defendants did not object to this approach as a matter of principle.

#### *Applications in this action*

9. The Defendants issued an application for summary judgment on 18 January 2019 which was dismissed. A case management conference was heard before His Honour Judge Hacon on 7 February 2019. That identified a list of issues to be decided at trial. In fact matters have moved on since then, so I will adapt and simplify that list of issues to reflect the points which I now have to decide.

#### **The issues**

10. These are as follows:

##### *Infringement of the Claimant's '526 registered trade mark*

1. Whether the Claimant's 526 mark has an enhanced distinctive character and/or reputation in the UK in relation to any of the goods or services in relation to which it is registered, and if so, which of them.
2. Whether the Defendants' acts done in relation to their CLARIDGE sign constitute infringement pursuant to s 10(3) of the Trade Marks Act 1994 ("the Act").
3. Whether the Defendants' acts done in relation to its CLARIDGE sign constitute infringement pursuant to s 10(2) of the Act.

##### *Passing off*

4. Whether the Defendants' use of CLARIDGE amounts to passing off.

##### *Liability of the Second Defendant*

5. Whether the Second Defendant is liable as a primary tortfeasor for the acts of trade mark infringement and passing off complained of.

##### *Counterclaim for revocation of the Claimant's trade marks*

6. Whether the Claimant has put its '526 mark to genuine use in the UK, and if so in relation to which goods and services.

11. The Claimant's case on issue 3 depends on whether it wins on issue 6, since its case under 10(2) of the Act was entirely based on maintaining a registration for toiletries and related goods in the face of the Defendants' attack of non-use. That non-use attack had various limbs to it, but the starting point was the fact that the Claimant did not charge for its toiletries separately nor did it intend to do so. They were provided to guests at the hotel for

personal use and were included in the price of the room. There were also a large number of other arguments in relation to issue 6.

12. I will deal with issues 1 and 2 first, then issue 6, then issues 3-5. Before doing that I will consider the witnesses and their evidence generally.

### The witnesses

13. I heard oral evidence on behalf of the Claimant from Mr Paul Jackson, the General Manager of the Claimant. He has held this role since 25 January 2016, although he had also worked for the Claimant in a junior role 30 years ago. He was cross-examined about the Claimant's use of its mark in relation to its restaurant, spa, cookbook, retail sales, candles, and toiletries.

14. He was subjected to a robust and at times combative cross-examination although it was never unfair. In closing the Defendant criticised his evidence in a number of respects, said he was a "company man" and submitted that I could only rely on his evidence where supported by other documentary evidence.

15. I reject these criticisms. I found him to be a good witness.

- a) It is true that I found Mr Jackson's evidence a little confused in relation to the subject of the Claimant's retail sales, but I do not believe he was lying or intending to mislead.
- b) He was wrong about some details relating to matters shown in documents, but he freely admitted his mistakes and in any event I was able to see the relevant documents myself.
- c) Mr Jackson explained that it was unusual for hotels to put their own brand name on toiletries supplied for use by guests. He was criticised for failing to concede that customers would therefore be "surprised" to see the name CLARIDGE'S when so used. However I can see why Mr Jackson may have thought these were 2 different concepts. The Defendants certainly thought they were different concepts, since they asked him about this a number of times.
- d) I agree with the Claimant that the Defendants' other criticisms of his evidence are made simply because the Defendants did not like the answers he gave.

16. I also heard oral evidence on behalf of the Defendants from the Second Defendant, Ms Shepherd. Her evidence was straightforward save for 2 issues.

- 1) The first such issue was her evidence about what Google searches she had done in relation to "Waxy Candles", the original choice of name, and "Claridge Candles". She contradicted herself and the questions had to be put to her a number of times. This evidence was more confused than Mr Jackson's evidence about retail sales had been.
- 2) The second was her evidence about the Defendants' use of the word "London" on the candle labels, as shown above. Ms Shepherd said that 28 000 such labels had been printed. She accepted that the Defendants' business had no connection to London but she explained that she chose to add "London" because she did not think that people in foreign countries would recognise the name of Gillingham. Put objectively, this amounts to saying that "London" was added in order to deceive foreigners, in

circumstances where I was not shown any evidence of foreign sales by the Defendants. Ms Shepherd also accepted that she could simply have said “England” on the label rather than “London”.

17. However the Claimant said in closing it had no particular criticisms of her as a witness, and that it did not push the topic of why she chose to add the word London to the label. More significantly, at no point did the Claimant challenge the following parts of Ms Shepherd’s written evidence:

*“My daughter suggested the name CLARIDGE CANDLES, as CLARIDGE is part of my address and I liked the repeating ‘C’ sound of the name. I understand that Claridge’s Hotel believe that I chose the name CLARIDGE because of them, but I didn’t even think of them when the name was developed....*

*“Until I was notified of the opposition to my application to register the mark CLARIDGE for candles I had not even considered Claridge’s...”*

Issue 1 - whether the Claimant’s 526 mark has an enhanced distinctive character and/or reputation in the UK in relation to any of the goods or services in relation to which it is registered, and if so, which of them

*Legal context*

18. In fact the argument focussed on reputation, not on enhanced distinctive character as such, and there was no dispute as to the relevant law. For purposes of s 10(3) the proprietor must show the trade mark is known “*by a significant part of the public concerned by the products or services covered by that trade mark*”: see **General Motors v Yplon** Case C-375/97 [2000] RPC 52 at [26]. This requirement was described by Arnold J in **Red Bull v Sun Mark** [2012] EWHC 1929 (Ch) at [90] as “*not a particularly onerous requirement*”.

*Analysis*

19. In its skeleton argument the Claimant relied on the following parts of its registration in particular:

*Class 35: retail services and online electronic retail services, specifically insofar as the specification covers:*

*Retail services connected with the sale of food and foodstuffs, drinks (alcoholic and non-alcoholic);*

*Online electronic retail services connected with the sale of food and foodstuffs, drinks (alcoholic and non-alcoholic)*

*Class 43: Hotel, restaurant, cafe and bar services.*

*Class 44: Provision of beauty treatments and therapies; health spa services; massage services.*

Hotel services

20. Far and away the most important of these is the class 43 registration for hotel services. I am entirely satisfied that the mark CLARIDGE'S has a very substantial reputation in the UK when used in relation to hotel services. There was a vast amount of evidence to this effect, both in the Claimant's Reply at paragraph [11] and in Mr Jackson's witness statement at paragraphs [12]-[56]. This covered such matters as its turnover (about £50 million or more annually since 2008), its marketing expenditure (about £1.5 million or more annually since 2008), its coverage in the press, its depiction in a BBC Two television series entitled "Inside Claridge's" which was originally aired in 2012, and the hotel's collection of international awards. This evidence was not substantially disputed by the Defendants, who sensibly accepted that the Claimant's mark had a reputation in the UK for hotel services. In her cross-examination Ms Shepherd agreed that "*most people in the UK are aware of Claridge's*" and that it is a hotel in London. This included herself.

21. Furthermore I find that this reputation of the CLARIDGE's mark goes beyond the mere fact that the hotel is very well known. In particular the CLARIDGE's mark has an image of luxury, glamour, elegance, and exclusivity as a result of the nature and extent of the Claimant's use thereof. Again there was ample evidence to support this conclusion. Much of it overlapped with the evidence mentioned above, but there was further evidence of the hotel's art deco history, its many restorations and re-designs by world famous designers, and its renown as a hotel suitable for royalty, heads of state, and VIPs. The Defendant did not dispute this evidence.

22. The Claimant also submitted that its mark had a reputation for restaurant and bar services, but accepted that if it did not win on the mark's reputation for hotel services then it would not win on the basis of the mark's reputation for restaurant and bar services. There is a separate issue on "café services" but I find that if the Claimant does not win on the basis of hotel services it will not win on café services either.

#### Beauty treatments and spa services

23. The second most important category of services are those in class 44, ie the provision of beauty treatments and spa services etc. The Claimant relied on these services on the grounds that it might be easier to establish a link for purposes of s 10(3) between these services and with the Defendant's goods. The turnover here is much smaller, approximately £200 000 - £320 000 per year since 2014. I was shown some third party evidence which was said to establish that the Claimant's spa is well-known in the UK.

24. The Defendant argued that these class 44 services were not offered under the CLARIDGE'S mark at all, but under and by reference to the mark SISLEY which is owned by a French beauty company. I reject this argument. It is true that the Claimant's spa offers treatments using Sisley products but the spa itself is and always has been known as either CLARIDGE'S HEALTH CLUB AND SPA or simply CLARIDGE'S SPA. This can be seen from eg the Claimant's spa brochure at exhibit PJ18: see the first and last page thereof. Sisley is merely one of several companies with which the Claimant has, as Mr Jackson put it, a strategic brand partnership.

25. Even on the basis that establishing reputation is not an onerous requirement, the relevant market is a large one. It is difficult for me to conclude that the CLARIDGE's mark is known by "*a significant part of the public*" in relation to these class 44 services (save



indirectly via the public's knowledge of the hotel, in which case this allegation adds nothing to the Claimant's case on its registration for class 43 services). I will nevertheless assume without deciding that the Claimant's mark does have a reputation in relation to class 44 services.

#### Retail services

26. The Claimant's use of CLARIDGE's in relation to retail services refers to its sale of various branded items which were sold at the hotel and via an online gift shop. There was a lively dispute as to whether this amounted to genuine use at all, and I will deal with that below. I will again assume without deciding that the Claimant's mark does have a reputation in relation to class 35 services.

#### Issue 3. Whether the Defendants' acts done in relation to their CLARIDGE sign constitute infringement pursuant to s 10(3) of the Act.

##### *Legal context*

27. The relevant law is very well established and I will not set it out in detail in this judgment. In order to establish infringement under this heading the proprietor must satisfy no less than 9 requirements: see **Comic Enterprises v 20<sup>th</sup> Century Fox** [2016] FSR 30 at [107]-[123], and in particular paragraph [111]. Since I have already held or assumed that the Claimant's mark has a reputation to the extent set out above, the live issues in this case are:

- 1) Whether the Defendants' use gives rise to a link between their sign and the Claimant's mark in the mind of the average consumer, requirement (vii) in **Comic**; and
- 2) Whether the Defendants' use gives rise to one of three types of injury, summarised as (a) dilution (b) tarnishing or (c) unfair advantage, also known as free-riding; requirement (viii) in **Comic**.

28. It has been clear since **L'Oréal v Bellure** C-487/07, [2009] ECR I-5185 that in principle unfair advantage can be established where there is a transfer of the image of the proprietor's mark (or of the characteristics which it projects) on to the defendant's goods: see [41] thereof.

29. The relevance of the defendant's subjective intention has been considered in a number of subsequent cases including by Arnold J in **Jack Wills v House of Fraser** [2014] EWHC 110 (Ch). In particular Arnold J held at [80] as follows:

*"In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill."*

The Judge went on to find that there was a "subtle but insidious transfer of image" from the Claimant's trade marks to the Defendant's logo such that the Defendant did take unfair advantage of the reputation of the trade marks: see [110].

30. What is also clear is that the advantage has to be unfair. The mere fact of gaining an economic (or commercial) advantage is not enough: see **Argos Limited v Argos Systems Inc** [2018] EWCA Civ 2211 at [108] per Floyd LJ, with whom Sir Colin Rimer and Lord Kitchin agreed at [115], [116].

31. **Argos** also establishes two further points of relevance. First, it is sufficient to show a change in economic behaviour of customers for the defendants' goods or services in order to show that the use of the sign is taking unfair advantage: see [107]. Secondly, **Argos** was a case where there was no transfer of image of the Claimant's mark to the Defendant's goods or services: see *ibid* at [109].

32. The Claimant drew my attention to the General Court's judgment in **The Tea Board v OHMI – Delta Lingerie (Darjeeling)**, T-624/13, EU:T:2015:743. At paragraph [134] the General Court held as follows:

*134 Moreover, according to case-law, it is possible, particularly in the case of an opposition based on a mark with an exceptionally strong reputation, that the probability of a future, non-hypothetical risk of unfair advantage being taken of that mark by the mark applied for is so obvious that the opposing party does not need to put forward and prove any other fact to that end. Accordingly, it is possible that an extremely strong reputation may, exceptionally, constitute in itself an indication of the future, non-hypothetical risk of the mark applied for as such taking unfair advantage in relation to each of the goods and services which are not similar to the goods and services in respect of which the earlier trade mark is registered (see judgment in **GRUPO BIMBO**, cited in paragraph 68 above, EU:T:2012:696, paragraph 43 and the case-law cited). [Emphasis added]*

33. In that case the relevant application was for a figurative mark containing the word DARJEELING and protection was sought in various classes including women's lingerie in class 25. One of the earlier marks relied upon in the opposition was the word "DARJEELING", which had been used for tea. It was held (at [140]) that this word was likely to evoke "*images of exoticism, sensuality and mystery which are connected, in the mind of the relevant public, with the representation of the Orient*". The General Court went on to annul the Board of Appeal's decision, which had wrongly excluded the existence of a risk of unfair advantage: see [151].

34. The Claimant also relied on **You – Q v OHMI – Apple Corp (BEATLE)** T-369/10, EU:T:2012:177. The point here was that the marks THE BEATLES and BEATLE were found to have an exceptionally high reputation in respect of "*sound records, video records, films*". The General Court upheld the Board of Appeal's finding that there would be a risk of unfair advantage of that reputation by the mark BEATLE for vehicles. In particular the General Court held (at [71], [73]) that there was a risk of image transfer between the youthful, counter-culture image of the earlier marks and the applicant's vehicles.

35. I do not accept (and to be fair, the Claimant did not suggest) that these cases set out any new principle of law. They merely emphasise that the higher the reputation of the earlier mark, the easier it may be to establish unfair advantage. They do not remove the need for the proprietor to satisfy each of the 9 requirements identified in **Comic**.

36. The Defendants also reminded me that dilution (ie detriment to distinctive character of the mark) requires “*evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future*” [emphasis added]: see **Comic** at [114] citing **Intel Corp v CPM United Kingdom** (C-252/07) EU:C:2008:655, [2009] RPC 15 at [77].

37. The Defendants did not raise any separate arguments in relation to any of the other legal requirements, such as “without due cause”: see requirement (ix) in **Comic**.

#### *Analysis*

#### Link

38. In order to consider whether there is a link between the Defendant’s sign and the Claimant’s mark in the mind of the average consumer (ie whether the Defendant’s sign calls the Claimant’s trade mark to mind) I need to carry out a global assessment taking into account all relevant factors: see **Comic** at [136]. I will start with the reputation of the Claimant’s mark in relation to hotel services and find as follows.

#### *The signs*

39. The mark and sign are visually and aurally almost identical. The Claimants added there was a high degree of conceptual similarity. I agree, but in the sense that one is the possessive form of the other. It is true that the Defendants have used their sign in slightly different forms (sometimes stylised, sometimes not) but neither side suggested anything turned on this. Nor did the Defendants suggest that anything turned on the presence or absence of the word “CANDLES”, which I accept since this is descriptive when used in relation to these goods.

#### *The respective goods and services*

40. The Claimant submitted, without objection by the Defendants, that

- a) the Defendants had actually used their mark in relation to each of the following:

*Reed Diffusers with scented oils; Diffuser sets with scented refills and reeds; Room perfume sprays; Room fragrance preparations; Candles; Fragrance candles; Scented candles; Scented candles; Scented candles; Candle wax; Fragrant, perfumed and scented wickless candles; fragrance, perfumed and scented wax bars and chips for use in fragrance warmers.*

- b) The Defendants intended to use their mark in relation to each of the following:

*Potpourri and/or linen spray*

*Perfumery, eau de perfume, eau de toilette, perfume, cologne, body spray; Soaps; hand cream; body wash; hair shampoo; hair conditioner; bath oil; bath grains; body wash; facial cleanser; facial toner; facial moisturizer; facial lotion; facial cream and gel; eye cream and gel; face make up remover; eye make up remover; facial cleansing cream; facial cleansing lotion; facial and body exfoliating preparations; face and*

*body masques; body powder; hair spray; hair mousse; hair gel; deodorant /antiperspirant.*

41. These goods are by no means all related, but both sides treated the case as “all or nothing” in this respect.

42. None of these types of goods is particularly close to hotel services in terms of its nature. However the Defendants’ candles are all premium products. For instance Ms Shephard explained that she had carefully selected top quality producers for each of the component parts: the glass containers, the wax, and the scent. For instance she bought perfumed oil from a company which also supplied Hugo Boss. She wanted to compete with well-known brands such as JO MALONE, SANDY BAY, and TOM FORD at a price point of between £35-£40 for the final product.

43. Ms Shephard also said she had thought carefully about the products she had not yet sold. She described them as personal care items with which she intended to complement the candle business, in that they would appeal to the same customers and be sold through the same trade channels. In those circumstances it is not surprising that the Defendants approached the issue of infringement on an all or nothing basis.

44. It follows that while the parties’ goods and services are different, they are both premium offerings and as such may appeal to a similar part of the public.

45. There was some evidence that the Claimant had sold small quantities of candles, which it is convenient to mention here. Some were referred to in the evidence as “Fornasetti candles”, supplied by a company called Fornasetti. The CLARIDGE’S mark does not seem to have been used in connection with these candles at all, and the relevant sales quantities appeared to be very low (of the order of 20 a year since 2014: see the Reply at 11.21). Other candles were said to be “Claridge’s branded” and sold by a florist called McQueen’s which has a retail outlet in the hotel. I was not shown how the McQueen’s candles had actually been sold or in what quantities. In the circumstances I do not rely on this evidence.

*The strength of the mark’s reputation*

46. I have already explained that the Claimant’s mark has a very substantial reputation.

*The degree of the mark’s distinctive character, both inherent and acquired*

47. Little argument was directed to this. I find that the Claimant’s mark is inherently distinctive to some extent, since it is not a common name or word, and it has also acquired a high degree of distinctive character by virtue of its long and well-publicised use.

*The existence of the likelihood of confusion on the part of the public*

48. This is not an essential element of a claim under 10(3) but remains relevant: see **Intel** at [42]. Neither side spent much time on this in relation to s 10(3) but both sides did address it in relation to s 10(2). An important difference between the two sections is that s 10(2) requires that the respective goods and services are similar. Neither side made any submissions about actual confusion, probably because it is not clear how many candles the Defendants have sold.

49. I find that there is a risk that the public might believe the respective goods and services come from the same or economically-linked undertakings, and as such there is a likelihood of confusion notwithstanding the differences in the respective goods and services. I reach this conclusion because of the similarity in the marks, the fact that both are premium offerings, the strength of the mark's reputation and the degree of its distinctive character.

50. When I supplied a copy of this judgment in draft to the parties, the Defendants complained that likelihood of confusion was "*not part of the Claimant's streamlined case under 10(3)*", this being a reference to a document filed by the Claimant earlier in the case. There is nothing in this complaint. I have to apply the law as set down by the Court of Justice in **Intel** and as reinforced by the Court of Appeal in **Comic**, not the law as the parties would like it to be.

### *Conclusion*

51. I conclude that there is a link between the Defendants' sign and the Claimant's mark in the mind of the average consumer, essentially for the same reasons as set out in the preceding paragraph in relation to likelihood of confusion: that is to say, because of the similarity in the marks, the fact that both are premium offerings, the strength of the mark's reputation and the degree of its distinctive character. All of these factors contribute to the link, as does the likelihood of confusion which arises as a result thereof.

### Unfair advantage

52. The mere fact that I have found a link does not mean that I automatically have to find unfair advantage. This has to be considered separately although a lot of the factors relating to "link" remain relevant to "unfair advantage".

### *The Defendants' intention*

53. As I have already stated, the Claimant did not challenge Ms Shepherd's evidence as to her subjective intentions nor as to why the Defendants chose the name. Ms Shepherd also told me that she did not believe the Defendants' use of the CLARIDGE mark enabled them to charge higher prices for their products. I accept that this is her opinion but her own views are not determinative.

### *Transfer of image*

54. I consider that notwithstanding the Defendants' own intentions and views, the effect of their use of the CLARIDGE mark will have been to cause a transfer of image from the Claimant's mark to the Defendants' sign in the mind of the average consumer. In particular the Defendants' sign does not merely take advantage of the fact that the Claimants' mark is so well known in relation to hotel services, but also takes advantage of its reputation for luxury, glamour, elegance, and exclusivity. I have no doubt that the Defendants' use of this sign does in fact enable them to charge higher prices for their products, and/or enables them to sell more of their products to consumers. As such it has an effect on the economic behaviour of their customers. This is not merely a commercial advantage but an unfair one.

### Tarnishing and dilution

55. The Claimant relied on damage due to tarnishing and dilution in the alternative. I agree with the Defendants that both of these are merely hypothetical risks. For instance Ms Shepherd accepted in cross-examination that she hoped her products would be successful enough to be sold in High Street stores. This evidence falls far short of showing a serious likelihood of a change in the economic behaviour of the relevant average consumer, even for an action brought in part on a *quia timet* basis. Given my finding of unfair advantage this does not matter.

### *Conclusion*

56. The Defendants' use therefore infringes the '526 mark pursuant to s 10(3). Given that both sides approached this issue on an all or nothing basis, this conclusion applies to all of their products, both those they have already sold and those they intend to sell.

57. It also follows that it is not necessary to consider the Claimant's reliance on any other services and I shall not prolong this judgment by doing so. Nor is it necessary to decide whether the Claimant's mark falls into any special category of marks with an "exceptionally high" reputation although I have found that its mark has a very substantial reputation.

58. That finding is also sufficient to decide this action in commercial terms. In addition the damages sought are less than £10 000. However the remaining issues were all fully argued and the issue of revocation has effect as against the world. Hence I still need to consider them although I will try to state my conclusions briefly.

Issue 6. Whether the Claimant has put its '526 mark to genuine use in the UK, and if so in relation to which goods and services.

### *Legal context*

59. The law on genuine use was recently summarised by Arnold J in **The London Taxi Corporation v Frazer-Nash Research** [2016] EWHC 52 at [219]. All these principles are important and I will bear all of them in mind. That said, the most relevant for purposes of this case appear to be the following, my emphasis:

(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'etre* 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].

60. Thus the use must be such as to create or preserve a market (or outlet) for the goods or services that bear the mark. **Ansul** was the first case to establish this. **Silberquelle** is the well-known case where use of the mark in question on alcohol-free drinks handed out as a free gift along with clothing was not genuine use of the mark in relation to drinks. In particular such use was not done to create or preserve a market for the drinks.

61. Once genuine use has been established, but only for part of the goods or services covered by a registration, the next question is what follows as a result. This was summarised by Henry Carr J in **Property Renaissance (t/a Titanic Spa) v Stanley Dock Hotel (t/a Titanic Hotel Liverpool)** [2017] RPC 12 at [47]. Again, I bear all these important principles in mind but the most relevant appear to be the following, my emphasis:

*iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; Thomas Pink Ltd v Victoria's Secret UK Ltd [2014] EWHC 2631 (Ch) ("Thomas Pink") at [52].*

*iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; Thomas Pink at [53].*

*v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in Pan World Brands v Tripp Ltd (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; Thomas Pink at [53].*

...  
*vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which*

the mark has been used and which are not in substance different from them:  
Mundipharma AG v OHIM (Case T-256/04) ECR II-449; EU:T:2007:46”.

62. It follows that a fair specification might be wider than the actual genuine use, but this is because of how an average consumer would fairly describe the goods or services in relation to which the actual genuine use is made.

*The Claimant's argument of law*

63. The Claimant submitted that there was a difference between (a) goods and services which were offered on a purely promotional or ancillary basis (as in **Silberquelle**) and (b) goods or services which were offered in association with another service but which were promoted in their own right and which constituted a factor in the decision of consumers to choose the associated service, such that there was a “real commercial purpose” to the provision thereof. In support of this argument, it relied on **Galileo International v European Union** [2011] EWHC 35 (Ch), [2011] ETMR 22 (Floyd J); **Pathway IP v Easygroup** [2018] EWHC 3608 (Ch) (Henry Carr J); and the UKIPO case of **Raffles** trade mark, O/134/15. Thus although there was no market in the toiletries themselves, the Claimant submitted that such use was still sufficient to justify a registration for toiletries. This was because, said the Claimant, the public took toiletries into account when selecting a hotel room. Furthermore some members of the public sold their CLARIDGE'S branded toiletries on eBay, so the public saw real value in them even if they were not sold.

64. I disagree for the following reasons.

65. First, the relevant legal test for genuine use is as set out in paragraphs [58]-[59] above. None of the subsequent cases suggests that the relevant legal test for this purpose is anything else. On this test, the Claimant's use of its mark in relation to toiletries does not create or preserve a market for *toiletries* because the Claimant never marketed its toiletries. Such use might help to create or preserve a market for the *hotel services* since the evidence did show that toiletries were a factor in a consumer's choice of hotel, but that is irrelevant.

66. **Galileo** is dealing with a different point. That was whether “*computer software used for travel and accommodation reservations*” was a fair description of the particular software for which genuine use had been shown, given that this software had other functionality as well. Floyd J, as he then was, held that it was.

67. In **Pathway IP** the Hearing Officer had concluded that use which was a “*mere adjunct*” to the general service provided under and by reference to the trade marks did not amount to real commercial exploitation of the mark for the relevant goods and services. On appeal, Henry Carr J confirmed that the correct test legal test for genuine use was whether such use created or preserved an outlet for the goods or services that bear the mark: see paragraphs [130]-[131] thereof. Both the Hearing Officer and Henry Carr J used the term “*mere adjunct*” as a good way of explaining their conclusions but it is not itself the correct legal test in relation to the question of genuine use. Furthermore to express the legal test in this way invites satellite argument about whether use was a “mere” adjunct or not, which risks obscuring the key question.



68. The high point of the Claimant's argument is **Raffles**, which was also about a famous hotel. The relevant paragraphs are as follows:

*Use of RAFFLES in the UK in relation to which services?*

40 *The RAFFLES mark has plainly been used in relation to hotel services. Ms Chantrielle accepted that hotel management, hotel reservation, cafeteria and restaurant services stood or fell with hotel services. There is ample evidence that RAFFLES eating and drinking facilities are promoted as part of its hotel services. These services are part and parcel of high end hotel services. I am satisfied that the provision of eating and drinking services would be a significant factor in the decision of many of the UK consumers to book accommodation at RAFFLES. I therefore find that there was genuine use of RAFFLES in the UK during the relevant period in relation to all the services listed earlier in this paragraph.*

41. *Ms Chantrielle did not accept that certain other quite similar services stood or fell with hotel services. In particular, she did not accept that catering services or housekeeping services were necessarily part and parcel of hotel services. I accept this submission, but it appears to me that the difficulty with the generality of these descriptions could be overcome by qualifying these descriptions very simply through the addition of the words "... provided in hotels". Expressed like this, I find that these descriptions are part and parcel of hotel services. I find that the same applies to banqueting services, food cooking services, bar, cocktail lounge and coffee shop services. Customers would expect most quality hotels to provide these services, including room keeping and in-room catering services. The expected presence of all of these facilities would have a bearing on the decision of UK consumers to book accommodation at RAFFLES.*

69. Paragraph [40] shows a concession was made that the cafeteria and restaurant services stood or fell with hotel services, so the finding on genuine use in relation to eating and drinking facilities followed from the first sentence thereof in any event. Insofar as paragraph [41] suggests that the test for genuine use is or includes (a) whether service X is part and parcel of service Y, (b) whether consumers would expect a business offering service X to offer provide Y, or (c) whether the expected presence of service X would have a bearing on the decision of UK consumers to purchase service Y, then I disagree. I think the Hearing Office must instead have meant that these considerations went to the scope of a fair specification once genuine use for the services mentioned in paragraph [40] had been established.

*Analysis*

70. Both sides proceeded on the basis that the relevant period in which the Claimant had to show use of its mark was the 5 year period ending on 22 October 2018, the date of the counterclaim was filed. It is not necessary to consider whether it should have been the date the counterclaim was actually served since this makes no difference.

Classes 3 and 5 (toiletries, etc)

71. Since I have rejected the Claimant's argument of law, it follows that all of the use relied on in relation to toiletries is the wrong type of use to show genuine use to create or preserve an outlet for the goods or services that bear the mark. Hence the counterclaim succeeds in relation to both of these classes.

72. The Defendants had yet more additional arguments on the facts. The first was to say that the Claimant's use was not use of Claridge's at all. The second was that the use did not establish a specification as broad as "toiletries" generally. The third was a suggestion that the use might have changed over time. The fourth was to say that the use relied upon only supported a specification in class 3, not a specification in class 5 as well. In case I am wrong on the law I will deal with these additional arguments as well.

*The facts*

73. The CLARIDGE's mark appeared on products as supplied to hotel guests since May 2017: see eg the photographs of the shower gel, hand and body lotion, shampoo and conditioner. The volumes of such products distributed were consistent over the time period 2015-2017 although Mr Jackson accepted that the volume would be lower (say ¾ of this level) in 2018 since some rooms were being refurbished. The precise figures are at Annex 20 to the Reply and Defence to Counterclaim: see eg 20 100 bottles of shampoo, 12 000 of conditioner, etc.

74. These products were specially manufactured for the Claimant by Cowshed, a well-known brand in its own right. They were not off-the-shelf Cowshed products nor did they bear any Cowshed branding. As Mr Jackson explains, this is unusual since most hotels would simply choose to use the third party manufacturer brand on their toiletries rather than put their own brand on them. The Claimant chose not to sell such products because it felt this was contrary to its image. There was evidence, which I accept, that the quality of in-room toiletries is a significant part of the luxury hotel customer experience (along with the choice of bed) and that the Claimant's products had been favourably reviewed.

*Not use of Claridge's at all*

75. I reject this. It is true that the Claimant's website had a "finer details" section saying that the products were "*made by Cowshed for Claridge's*" but this nothing turns on this. It certainly does not mean that CLARIDGE's was not used in relation to these products since it plainly was. At most this website reference is another example of what Mr Jackson called a strategic partnership.

76. I was not shown any examples of CLARIDGE'S being used in relation to dental kits, cotton pads, cotton buds or shower caps even though there was an assertion to this effect in Mr Jackson's exhibit 35. It was not asserted there that CLARIDGE'S had been used in relation to soap. I find there was no use in relation to these products.

*Use did not establish a specification as broad as "toiletries" generally*

77. I accept this argument. "Toiletries" is a wide word. Having regard to the evidence I was shown, I consider that if I am wrong on the law, a fair specification would have been "*shampoos; conditioners; body lotions; shower gels*".

*Use might have changed over time*

78. I do not accept this. The argument was based on some emails about the packaging of sleeves for the products, not about the products themselves. These emails did not show that the use of the mark CLARIDGE'S on the products had changed. I also agree with the Claimant that since the Claimants' use did not show any material change over time, the onus was on the Defendants to show that it had changed. Indeed this is an argument which the Defendants ought to have pleaded if they wanted to rely on it.

*Use only supported a registration in class 3, not class 5*

79. It was not disputed that in principle goods might fall into more than one class. The explanatory note to the Nice Agreement states that "*Class 5 includes mainly pharmaceuticals and other preparations for medical or veterinary purposes*". I agree with the Defendants that the Claimant's toiletries would properly belong in class 3, not in class 5.

Class 16: printed publications; magazines

*The facts*

80. The Claimant has offered for sale and sold a cookbook called "Claridge's: the Cookbook", which was first sold in 2017. It has been sold via Amazon, WH Smith, and Waterstones and so far 1 345 copies have been sold. Mr Jackson said that in the context of cookbooks, that was a significant volume of sales, and that the book had sold more than what he thought was the well-known Savoy Hotel cocktail book. The Claimant has also produced a distributed a bi-annual magazine to guests, each edition having approximately 15 000 copies.

*The parties' arguments*

81. The Defendants raised two arguments. The first was to question how many copies of the book had been sold to UK customers. I reject this argument on the grounds it should have been pleaded (eg in a Reply to Defence to Counterclaim, which is permitted under IPEC rules). The first time the Claimant knew this point was going to be taken was at trial. When it was put to Mr Jackson, he gave evidence that the book was published in the UK and its priority market was the UK, hence he thought a significant proportion of the sales would be UK sales. This seems inherently plausible and I accept it.

82. The second was to say this was not use of the CLARIDGE'S mark to create or preserve a market for books on the grounds that the use was merely descriptive of the book's contents, citing O/340/19 ("**CARRY ON**" trade mark). I reject this too. The content actually consists of recipes and the mark CLARIDGE'S has been used both on the book itself and in its marketing to indicate the trade source thereof, thereby creating an outlet for books sold under the mark.

*Magazines*

83. There was little argument about the magazines, but it seems to me that by parity of reasoning with the argument on toiletries this use was not creating or preserving a market for magazines under the CLARIDGE's mark.

84. I accept that the Claimant has shown genuine use in relation to books but not magazines, and I find that a fair specification in class 16 would be "books".

Class 35: retail services, etc

*The facts*

85. The Claimants did not adduce much evidence about this but the Defendants spent a lot of their time on cross-examining Mr Jackson about it.

86. The Claimants operate an online gift shop throughout the year offering various goods including food, wine, tea, coffee as well as seasonal items such as Christmas crackers and Easter eggs. During the run up to Christmas the Claimant also runs a physical retail outlet from the hotel. The Claimant started selling hampers in 2017, which were well publicised in eg Vogue, and the Financial Times. I was also shown a catalogue entitled "Christmas Gift Collection" which listed a number of goods including CLARIDGE'S branded tea as well as the ingredients of the hampers (which were a mixture of CLARIDGE'S branded goods such as coffee, chocolate, biscuits, honeycomb, etc plus third party branded goods such as Laurent Perrier champagne).

87. In 2018 the turnover of the online gift shop was £55 811.67 and the turnover of the offline sales, ie the physical shop, was £115 658.42. This figure is not broken down by reference to goods or by months. The first point matters in that both figures include sales for (eg) crockery, aprons, stuffed toys, candles, and cook books, none of which is relevant to the remaining scope of the class 35 registration. The second point matters since some of the sales (eg Christmas-related sales) might post-date 22<sup>nd</sup> October 2018 although Mr Jackson said that some Christmas sales started in July. However Mr Jackson also said that although the precise figures in his statement related to 2018 the Claimant had sold such items for many years before he arrived back at the Claimant in 2016.

88. In addition to the evidence about the Claimant's health club and spa the Claimant adduced evidence about its business providing facilities for meetings, functions, galas, social events, weddings, conferences and conventions under its CLARIDGE'S mark. This business goes beyond merely offering a space in which such functions can take place and includes planning, hosting and providing catering for the same. The Claimant's turnover for these services was in the region of £9 million per year for 2015-2017: see the Reply at [11.18]. There was no evidence that such services included flowers and flower arrangements. This part of the Claimant's evidence in relation to class 35 was not factually disputed by the Defendants, who focussed on the retail services instead.

*The parties' arguments*

89. Even without a breakdown of figures I consider there is still just enough evidence to show, on the balance of probabilities, use of the CLARIDGE'S mark prior to 22 October 2018 in relation to the retail of food and non-alcoholic drinks. The Defendants also submitted that this was all use of the mark in relation to goods, not in relation to retail services, but I agree with the Claimant that there is no reason why it cannot be both.

90. I do not recall my attention being drawn to any use of the CLARIDGE'S mark in relation to alcoholic drinks at the trial but when I supplied a copy of this judgment in draft to the parties, the Claimants drew my attention to some evidence showing such in relation to a product called "CLARIDGE's Le Fumoir aged Negroni": see eg Annex 13 to the Reply and Mr Jackson's paragraph [49]. Some of the hampers included champagne but this was sold

under a third party mark (LAURENT PERRIER) and in my view the mere presence of LAURENT PERRIER branded champagne on hampers sold under the CLARIDGE'S mark is not sufficient to show use of the CLARIDGE'S mark in connection with such champagne. In circumstances where the evidence only shows use of the CLARIDGE'S mark in relation to a single, and relatively obscure, type of alcoholic drink I consider that a specification covering retail services in relation to all types of alcoholic drinks is not justified. A specification limited by reference to the actual use (ie aged Negroni) might look odd but would be fair.

91. The Defendants submitted that there had been no use of the following services, namely "*business management of hotels; business management of health clubs and spas; provision of business facilities and services*". In particular the Defendants argued that these all relate to the provision of services to third party venues rather than services provided within the hotel itself. By this I take the Defendants to mean that the use relied on constitutes internal use by the proprietor. I accept this submission in relation to the first two categories, since there is no evidence that the Claimant offered services in business management of hotels or health clubs to third parties, but not in relation to the third since the Claimant has offered these services to third parties.

92. I consider that a fair specification would be:

Class 35: "*Retail services connected with the sale of food and foodstuffs, non-alcoholic drinks, and aged Negroni, online electronic retail services connected with the sale of food and foodstuffs, non-alcoholic drinks, and aged Negroni; provision of business facilities and services*"

#### Class 43

93. The Defendants admitted, and I in any event find, that the Claimant has made substantial use of its mark in relation to afternoon teas. Indeed the Defendants admitted that the Claimant had amassed goodwill and repute in relation thereto: see the Defendants' email of 5 April 2019. The only dispute was whether this use was sufficient to support the registration for "café services" and I find that it is. It was not merely part of "restaurant services", as the Defendants submitted.

94. The rest of the class 43 specification refers to *arranging and booking hotels and accommodation services; accommodation reservation services; provision of facilities for meetings, functions, conferences and conventions; catering services*". There was no evidence about use of the mark in relation to *arranging and booking hotels and accommodation services; accommodation reservation services* but as I have already pointed out there was plenty of evidence about use of the mark in relation to *provision of facilities for meetings, functions, conferences and conventions; catering services*".

95. I find that a fair specification would be

Class 43: "*Hotel, restaurant, cafe and bar services; provision of facilities for meetings, functions, conferences and conventions; catering services*"

#### Class 44

96. The Claimant's spa brochure shows that it has used its mark in relation to a number of specific beauty treatments and I find that a fair specification would be:

Class 44: "*Provision of beauty treatments and therapies; pedicure and manicure services; depilatory services; cosmetic services; health spa services; massage services*"

Issue 3 - whether infringement pursuant to s 10(2).

97. Given my findings in relation to issue 6, this falls away. All of the parts of the '526 specification which relied upon by the Claimant in this context are areas for which no genuine use has been shown, and the mark has to be revoked to that extent.

Issue 4 – passing off

98. Unusually, the Claimant submitted that its case on passing off stood or fell with its case on s 10(3), not its case on s 10(2). The Defendants accepted that this was a possible result but drew attention to the different legal requirements. Neither side spent much time on passing off.

*Legal context*

99. There was no dispute as to the relevant law. See eg **Reckitt & Colman Products Ltd v Borden Inc.** [1990] RPC 341 at 406. I also bear in mind that the question of misrepresentation is one for the Court, not for witnesses: see **Spalding v Gamage** (1915) 32 RPC 273, HL.

*Analysis*

100. The legal test is different to s 10(3) of the Act and the result is not so clear. There is no dispute as to the existence of the Claimant's goodwill in relation to hotel services, which is all I am considering for this purpose. Nor is there any dispute as to damage provided that the Claimant succeeds on misrepresentation: see paragraph [43] of the Defence. The key issue is therefore misrepresentation.

101. I consider that the Defendants' use of CLARIDGE on its products is likely to lead the public to believe that the goods offered by the Defendant are the goods of the Claimant or that there is some trade connection or association between the Claimant and the Defendants, notwithstanding the differences between hotel services and the Defendants' goods (eg candles). My reasoning is essentially the same as set out above in relation to likelihood of confusion in the context of s 10(3). In particular I rely on the similarity in the marks, the fact that both are premium offerings, the strength of the mark's reputation, and the degree of its distinctive character.

102. It follows that the Claimant succeeds on passing off. Again, no reason was given as to why this conclusion should be any different as between the products the Defendants have already sold and those they intend to sell, so the same conclusion holds for all of these products.

Issue 5 – liability of the Second Defendant

103. It is relatively common, at least in this Court, to allege personal liability of company directors on at least one of two alternative bases: namely that the director either personally carried out the tort, or that the director was party to a common design with the company such that the director and the company are jointly and severally liable for the company's tort.

104. What is unusual here is that the Particulars of Claim rely solely on the former. Specifically the Particulars of Claim set out a number of allegations against "the Defendants" without distinguishing between their respective roles: see eg paragraphs [3]-[5] thereof. The Defence took a number of points about these paragraphs, but nothing as regards the parties: see Defence at [22]-[30]. Hence why the list of issues identified what is now issue 6.

105. There was an application made after the case management conference to introduce a plea of common design between D1 and D2, but that was rejected by HHJ Hacon on 20 February 2019 since he was not satisfied that there were exceptional circumstances within the meaning of CPR Part 63.23(2). There was no appeal against that order.

#### *Legal context*

106. The most authoritative discussion of this topic is by the Court of Appeal in **MCA Records v Charly Records** (No. 5) [2001] EWCA Civ 1441. That case focusses particularly on common design but refers to various cases in which a defendant is liable for his or her own tort, even if committed on company business. For instance the Court mentions the example of the lorry driver who is involved in an accident in the course of his employment. This example was originally suggested by Aldous LJ in **Standard Chartered Bank v Pakistan National Shipping Corporation (No. 2)** [2000] 1 Lloyd's Rep 2018 and is cited in **MCA** at [45]: and see also the last sentence of [49]. The House of Lords overturned the Court of Appeal's actual decision in that case (see [2002] UKHL 43, [2003] 1 AC 959) but did not criticise this example. If anything, the House appears to have thought that the Court of Appeal in **Standard Chartered** should have decided the case on this very ground, see Lord Hoffmann's speech at [20]-[22], and Lord Rodger's speech at [34]-[35].

#### *Analysis*

107. The evidence established that Ms Shepherd was the only employee, only director, company secretary, and owned or controlled more than 75% of the issued share capital of the First Defendant. She mentioned that her daughters helped her but there was no evidence that this extended to any involvement in the day to day running of the First Defendant. The only specific evidence was that one daughter had originally suggested the name CLARIDGE, and one or other daughter had helped Ms Shepherd post some pictures of the Defendants' products on Ms Shepherd's personal FaceBook pages.

108. So if one asks the question as to which natural person actually offered CLARIDGE branded candles to the public, or for that matter which natural person committed any of the acts complained of, the answer must be that it was Ms Shepherd. There is nothing to suggest either of her daughters did so instead of her, and no other possibility was put forward. I accept that Ms Shepherd may have done so in the course of her employment with the First Defendant, although this was not actually established, but that does not matter. Ms Shepherd is not liable because she is a director, she is liable because she committed an infringement.

She is just as liable as the lorry driver in Aldous LJ's example and she would not have a defence simply because she committed the infringement in the course of her employment.

### **Conclusion**

109. In summary:

- a) The action for infringement of the '526 mark succeeds under s 10(3) of the Act, but not s 10(2).
- b) The action for passing off succeeds.
- c) The counterclaim for revocation of the '526 mark succeeds to the extent explained above.
- d) Ms Shepherd is personally liable for the acts complained of.