

O-341-13

**THE TRADE MARKS (INTERNATIONAL REGISTRATION) ORDER 2008 AND  
THE TRADE MARKS ACT 1994**

**IN THE MATTER OF THE APPLICATION TO EXTEND PROTECTION TO THE UK  
OF INTERNATIONAL REGISTRATION NO 1073654  
IN THE NAME OF POLO MOTORRAD UND SPORTSWEAR GMBH**

**AND**

**OPPOSITION THERETO UNDER NO 72325  
BY NEXT RETAIL LTD**

## Background

1. On 10 March 2011, the UK Trade Marks Registry was notified by WIPO of international registration (IR) 1073654, in respect of which it had been designated under the relevant provisions of the Madrid Protocol.

2. Following an assignment, the designation stands in the name of POLO Motorrad und Sportswear GmbH (“the applicant”) and seeks protection as follows:

# Nexo

Class 18:

Suitcases, handbags, trunks, travelling bags, rucksacks

Class 25:



Clothing, footwear, headgear

3. Following publication in the *Trade Marks Journal* on 3 June 2011, Next Retail Ltd (“the opponent”) filed a notice of opposition. The opposition is brought on grounds under sections 5(2)(b), 5(3) and 5(4)(a) of the Act and is directed at all of the goods for which protection is sought.

4. In respect of its grounds under section 5(2) and (3) of the Act, the opponent relies on the following registrations:

Mark	Filing/registration date	Specification relied upon
CTM 15594 NEXT	1 April 1996/ 19 October 1998	<p>Class 14: Precious metals and their alloys and goods made thereof or coated therewith; jewellery; precious stones; clocks, watches and chronometric instruments; watch straps; watch bracelets; parts and fittings for all the aforesaid goods</p> <p>Class 18: Leather and leather imitations and goods made thereof; skins and hides; travelling trunks and suitcases; bags; umbrellas, parasols and walking sticks; whips, harnesses and saddlery; parts and fittings for all the aforesaid goods</p> <p>Class 24: Textiles; plastic material as a substitute for fabric; bed and table covers; bed linen; table linen; household linen; wall hangings; blankets; quilts; duvets and duvet covers; sheets; pillow cases; bed valances; bed-</p>

		<p>covers; table cloths; table mats; napkins; linen fabrics; fabric wall coverings; curtains; curtain tie-backs; cushion covers; pelmets; blinds; covers for chairs and sofas; towels and face cloths</p> <p>Class 25: Articles of clothing; footwear; headgear</p> <p>Class 27: Carpets; rugs; mats and matting; non-textile wall coverings; wall papers; wall paper borders</p>
<p>CTM 1620434 NEXT</p>	<p>19 April 2000 2 July 2003</p>	<p>Class 35: Retail services in the fields of clothing, headgear and footwear, jewellery, fashion accessories, household articles, towels, bedding, textiles, furniture, lighting apparatus, toys, electrical products, cosmetics, non-medicated toilet preparations, eye ware, carrying cases, handbags and all manner of bags, kitchenware, paints, wallpaper and other products for decorating the home, pictures, picture frames, electrical products, cameras; the bringing together for the benefit of others of a variety of goods including the aforesaid products; enabling customers to conveniently view and purchase these goods; services for the retail of products through high street stores, via mail order catalogues or over the Internet; providing on-line retail store services in the field of the aforesaid goods; information and advice in relation to retail services relating to the aforesaid goods; business management consultancy including giving assistance and advice in the establishment of retail stores in the field of the aforesaid goods; on-line trading services, trading services in respect of a wide range of goods; excluding modelling agency services.</p> <p>Class 42 Technical consultancy and advising in the establishment of retail stores in the field of clothing, headgear and footwear, jewellery, fashion accessories, household articles, towels, bedding, textiles, furniture, lighting apparatus, toys, electrical products, cosmetics, non-medicated toilet</p>

		preparations, eye ware, carrying cases, handbags and all manner of bags, kitchenware, paints, wallpaper and other products for decorating the home, pictures, picture frames, electrical products, cameras.
2026917 NEXT	13 July 1995 22 March 1996	Class 25: Articles of clothing; footwear; headgear
2453621  	25 April 2007  24 October 2008	Class 14: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery; precious stones; horological and chronometric instruments.  Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.  Class 24: Textiles and textile goods, not included in other classes; bed and table covers.  Class 25: Clothing, footwear, headgear.  Class 26: Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.  Class 27: Carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile).  Class 35: Retail services, including retail services offered via a general merchandising and clothing store, mail order catalogue, online, via television channel, via mobile phone and by direct marketing, all connected with the sale of clothing, headgear and footwear, jewellery, watches, fashion accessories, household articles, towels, bedding, textiles, furniture, lighting apparatus, toys, electrical products, cosmetics, non-medicated toilet

		preparations, eyewear, carrying cases, leather goods, handbags, sports bags, travel bags, shopping bags, toiletry bags, messenger bags, carrier bags, document bags and children's bags, kitchenware, paints, wallpaper, wall stickers and borders, pictures, picture frames, electrical products, cameras; the provision of information and advice in relation to retail services relating to the aforesaid goods; business management consultancy including giving assistance and advice in the management of retail stores in the field of the aforesaid goods.
2437372 NEXT 2	2 November 2006  20 April 2007	<p>Class 14: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery; tiaras; necklaces; bracelets; earrings; watches; rings; precious stones; horological and chronometric instruments.</p> <p>Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; belts; animal skins; hides; bags; purses; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.</p> <p>Class 25: Clothing, footwear, headgear; lingerie; bras, briefs, bodies, bustiers, camisoles, nightwear, pyjamas, robes, sleep sets, slippers, nightshirts; hats, gloves, scarves; socks, hosiery; shoes, boots, slippers.</p> <p>Class 26: Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers; hair clips.</p>

5. In relation to the ground of opposition founded on section 5(4)(a) of the Act, the opponent relies on use of the sign NEXT in the UK since 1982 in relation to a wide range of goods and services which I will set out later in this decision.

6. The applicant filed a counterstatement in which it denied the claims made and put the opponent to proof of use of its marks (where appropriate) in respect of those of its goods in class 18 and 25.

7. Both parties filed evidence but neither requested a hearing. Both parties filed written submissions. I take all of this material into account in reaching my decision.

**The objections under section 5(2)(b) of the Act**

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

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

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

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

9. An earlier trade mark is defined in section 6 of the Act, the relevant parts of which state:

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

- (a) a registered trade mark, international trade mark (UK) or Community trade mark or international trade mark (EC) 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,
- (b) .....
- (c) .....

(2) References in this Act to an earlier trade mark include a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of subsection (1)(a) or (b), subject to its being so registered.”

10. The opponent relies on its trade marks as set out above. Each is an earlier mark within the meaning of the Act. Given the interplay between the publication date of the applicant’s mark and the earlier marks relied on by the opponent, section 6A of the Act is relevant to some of the earlier marks (see below). Section 6A reads:

“6A (1) This section applies where-

an application for registration of a trade mark has been published, there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if-

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non-use.

(4) For these purposes-

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) .....

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(7)....”

11. Also of relevance is section 100 of the Act which states:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.”

12. Whilst the opponent relies on 5 earlier marks, the provisions of section 6A relate only to its earlier marks CTM15594, CTM1620434 and 2026917. In its counterstatement, the applicant put the opponent to proof of use of its marks insofar as they are registered in classes 18 and 25. As CTM 1620434 is registered in respect only of services in class 35, the opponent is not put to proof of its use. The opponent therefore has to show use of CTM15594 in respect of goods in classes 18 and 25 only and 2026917 in respect of goods in class 25 only. The relevant period in which the opponent is required to prove use of these earlier marks is 11 March 2006 to 10 March 2011.

## Proof of use

13. The guiding principles to be applied in determining whether there has been genuine use of a mark are set out in *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 40 and *Laboratoire de la Mer Trade Mark* [2006] FSR 5. From these cases it is clear that:

- genuine use entails use that is not merely token. It must also be consistent with the essential function of a trade mark, that is to say to guarantee the identity of the origin of goods or services to consumers or end users (*Ansul*, paragraph 36);
- the use must be 'on the market' and not just internal to the undertaking concerned (*Ansul*, paragraph 37);
- it must be with a view to creating or preserving an outlet for the goods or services (*Ansul*, paragraph 37);
- the use must relate to goods or services already marketed or about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37);
- all the facts and circumstances relevant to determining whether the commercial exploitation of the mark is real must be taken into account (*Ansul*, paragraph 38);
- the assessment must have regard to the nature of the goods or services, the characteristics of the market concerned and the scale and frequency of use (*Ansul*, paragraph 39);
- but the use need not be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39);
- an act of importation could constitute putting goods on the market (*Laboratoire de la Mer*, paragraph 25 referring to the earlier reasoned order of the CJEU);
- there is no requirement that the mark must have come to the attention of the end user or consumer (*Laboratoire de la Mer*, paragraphs 32 and 48);
- what matters are the objective circumstances of each case and not just what the proprietor planned to do (*Laboratoire de la Mer*, paragraph 34);
- the need to show that the use is sufficient to create or preserve a market share should not be construed as imposing a requirement that a significant market share has to be achieved (*Laboratoire de la Mer*, paragraph 44).

14. The opponent's evidence takes the form of a witness statement by Sarah Louise Noble dated 10 February 2012. Ms Noble has been a company solicitor for the



opponent since 1998 and is authorised to make the statement on its behalf. Her evidence states that the mark NEXT was first adopted and used by the opponent in 1982 in the UK in relation to the sale of clothing, fashion accessories and household goods sold through Next retail outlets owned or controlled by the opponent. The opponent has operated a chain of high street stores continuously since 1982. The history of the company, exhibited at SLN1, shows that the first Next womenswear shop opened in February 1982 and that there were 70 such shops by July of that year. The first Next menswear shop opened in August 1984 and by December of that year there were 52 such shops. Childrenswear was introduced in 1987. At the date of the witness statement there were approximately 450 stores and the list of stores exhibited at SLN3, which shows it to have been updated on 2 October 2006, shows stores through England, Ireland, Scotland and Wales. In January 1988 it launched a mail order catalogue service and in 1999 an online shopping website. In 2000, the mail order catalogue had gained its 1 millionth active customer.

15. The trade mark NEXT is applied to the stores, the mail order catalogue, the online shopping website and the labels and packaging of the goods as well as the goods themselves.

16. Annual turnover figures relating to the overall sales of goods under the mark NEXT are given as follows:

Year	£ (Billion)
2000	1.4
2001	1.5
2002	1.8
2003	2.2
2004	2.5
2005	2.9
2006	3.1
2007	3.3
2008	3.3
2009	3.3
2010	3.4

These sales are broken down as follows: Womenswear - 46.5%, menswear - 24%, childrenswear - 18.5% other goods including household - 11%.

17. Advertising and promotion budget figures are given as follows:

Year	£
2000	4,454,523
2001	4,781,883
2002	5,378,000
2003	4,324,577
2004	17,000,000
2005	17,394,777
2006	25,945,184
2007	46,763,351

18. Promotion is carried out by way of magazine inserts and press advertisements. A copy of a magazine advert is exhibited at SLN8 and, at SLN7 is a list of publications which have included the insert, along with some of their distribution figures. The list of publications is extensive and includes, *Bounty packs, Brides Magazine, Good Housekeeping, Guardian Weekend, Hello (Circ 392,481) , Ideal Home, OK (Circ 532,743), Prima, TV Times and Women's Own.*

19. The opponent has won a number of awards and the history of the company exhibited at SLN1 shows this to include The Gold award for Direct Marketing from the Royal Mail for the most outstanding consumer campaign 1988, Cosmopolitan Best High Street shop, Menswear/FHM Retailer of the Year, Retail Week retailer (and multiple retailer) of the Year and decade, and Prima high street retailer of the year for four years in a row. The date(s) of these latter awards is not specified.

20. At SLN2, is exhibited a number of extracts from various mail order catalogues dating from Spring/Summer 2006, 2007, 2008 and 2010. Each of them offers for sale numerous articles of women's, men's and children's clothing including outerwear and underwear, suits, ties, dresses, shirts, beanies, caps, shoes and sandals as well as e.g. leather bags, purses, wallets, passport holders and washbags and briefcases, suitcases, suit carriers, holdalls and backpacks.

21. At SLN9 are prints dating from within the relevant period which show NEXT as applied to the fascia outside various Next stores.

22. Whilst some of the evidence relates to periods outside the relevant period or its date is not clear, when taken as a whole I am satisfied that the opponent has proved use of its marks within the relevant period.

23. I therefore go on to consider on what goods that use has been made in order to determine what constitutes a fair specification for the use made of the mark. I must keep in mind the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32, in relation to determining what constitutes a fair specification in relation to the use made, namely:

“Pumfrey J in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view the task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use”.

24. In *Animal Trade Mark* [2004] FSR 19, Jacob J held:

“The reason for bringing the public perception in this way is because it is the public which uses and relies upon trade marks. I do not think there is anything technical about this: the consumer is not expected to think in a pernicky way because the average consumer does not do so. In coming to a fair description the notional average consumer must, I think, be taken to know the purpose of the description. Otherwise they might choose something too narrow or too wide. Thus, for instance, if there has only been use for three-holed razor

blades imported from Venezuela (Mr T.A. Blanco White's brilliant and memorable example of a narrow specification) "three-holed razor blades imported from Venezuela" is an accurate description of the goods. But it is not one which an average consumer would pick for trade mark purposes. He would surely say "razor blades" or just "razors". Thus the "fair description" is one which would be given in the context of trade mark protection. So one must assume that the average consumer is told that the mark will get absolute protection ("the umbra") for use of the identical mark for any goods coming within his description and protection depending on confusability for a similar mark or the same mark on similar goods ("the penumbra"). A lot depends on the nature of the goods—are they specialist or of a more general, everyday nature? Has there been use for just one specific item or for a range of goods? Are the goods on the High Street? And so on. The whole exercise consists in the end of forming a value judgment as to the appropriate specification having regard to the use which has been made."

25. Also of relevance are the comments of the Court of First Instance in *Reckitt Benckiser (España) SL v OHIM*, Case T-126/03 where it said:

"45 It follows from the provisions cited above that, if a trade mark has been registered for a category of goods or services which is sufficiently broad for it to be possible to identify within it a number of sub-categories capable of being viewed independently, proof that the mark has been put to genuine use in relation to a part of those goods or services affords protection, in opposition proceedings, only for the sub-category or sub-categories to which the goods or services for which the trade mark has actually been used belong. However, if a trade mark has been registered for goods or services defined so precisely and narrowly that it is not possible to make any significant sub-divisions within the category concerned, then the proof of genuine use of the mark for the goods or services necessarily covers the entire category for the purposes of the opposition.

Although the principle of partial use operates to ensure that trade marks which have not been used for a given category of goods are not rendered unavailable, it must not, however, result in the proprietor of the earlier trade mark being stripped of all protection for goods which, although not strictly identical to those in respect of which he has succeeded in proving genuine use, are not in essence different from them and belong to a single group which cannot be divided other than in an arbitrary manner. The Court observes in that regard that in practice it is impossible for the proprietor of a trade mark to prove that the mark has been used for all conceivable variations of the goods concerned by the registration. Consequently, the concept of 'part of the goods or services' cannot be taken to mean all the commercial variations of similar goods or services but merely goods or services which are sufficiently distinct to constitute coherent categories or sub-categories."

26. Both of the registrations for which use must be proved include *Articles of clothing, footwear, headgear*. I am satisfied from the evidence that use has been proved in respect of a wide range of these goods within the relevant period and I consider the opponent is entitled to rely on each of its specifications in class 25 in

full. CTM 15594 is also registered for a wide range of goods in class 18 (as above). I am satisfied that the opponent has shown use on various items of luggage, bags and items such as washbags and passport holders made of leather but has not proved use in respect of *skins and hides; umbrellas, parasols and walking sticks; whips, harnesses and saddlery* and is therefore not entitled to rely on its mark in respect of these latter goods. In my view, a fair specification for the use shown is to be achieved by a simple deletion of the goods for which no use has been shown. This means that the opponent is entitled to rely on its earlier marks in respect of:

CTM 15594

Class 18

*Leather and leather imitations and goods made thereof; travelling trunks and suitcases; bags; parts and fittings for all the aforesaid goods*

Class 25

*Articles of clothing; footwear; headgear*

2026917

Class 25

*Articles of clothing; footwear; headgear*

27. I note that submissions made in the witness statement of Kerstin Herzog on behalf of the applicant, indicate that “the extensive use claimed ...as evidence in the witness statement of solicitor Sarah Louise Noble” is not denied though it is further submitted that there is no evidence of reputation or confusion. Evidence of confusion or the absence thereof, is not a relevant factor in my decision particularly as there is no evidence of use of the applicant’s mark in the UK. As regards the opponent’s use of its mark, 89% of the turnover figures which have been provided are said to relate to the sale of women’s, men’s and children’s wear. Whilst I do not know the size of the relevant market, those figures are substantial. The use has been consistent and over a lengthy period and I have no hesitation in finding there is a reputation in respect of these goods. Turnover figures in relation to the goods included within class 18, which presumably are included within the 11% of sales of goods other than women’s, men’s and children’s wear, have not been specified. Whilst the evidence shows several examples of such goods being offered for sale, the evidence does not allow me to find that the inherent distinctive character of the mark has been enhanced in relation to the sales of such goods or that there is a reputation in respect of such goods.

28. I go on to consider the objection under section 5(2)(b) of the Act.

29. In his decision in *La Chemise Lacoste SA v Baker Street Clothing Ltd* - BL O/330/10 (approved by Arnold J in *Och-Ziff Management Europe Ltd v Och Capital LLP* [2011] FSR 11), the Appointed Person, Mr Geoffrey Hobbs Q.C., expressed the test under this section (by reference to the CJEU cases mentioned) on the basis indicated below:

## The CJEU cases

*Sabel BV v Puma AG* [1998] RPC 199; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117; *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77; *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] E.T.M.R. 723; *Matratzen Concord GmbH v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM), Case T-6/01*; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04; *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P.*

## The principles

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

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

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

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

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

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

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

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

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

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

(k) if the association between the marks causes the public to wrongly believe that the respective goods [or services] come from the same or economically-linked undertakings, there is a likelihood of confusion.”

30. Whilst the opponent relies on five earlier marks as set out above, I intend to consider this objection on the basis of its two earlier marks 2026917 and CTM 15594 only as if it cannot succeed in respect of these marks it will not be in any stronger position in respect of the other three relied upon. For the same reasons, whilst CTM 15594 is relied upon in respect of goods in class 14, 24 and 27, I intend to consider it only insofar as it has proved to have been used on goods in classes 18 and 25.

### Comparison of the respective goods

31. For ease of reference, the goods to be compared are:

Opponent's specification	Applicant's specification
Class 18 (CTM 15594 only) <i>Leather and leather imitations and goods made thereof; travelling trunks and suitcases; bags; parts and fittings for all the aforesaid goods only.</i>	Class 18 <i>Suitcases, handbags, trunks, travelling bags, rucksacks</i>
Class 25 (CTM 15594 and 2026917) <i>Articles of clothing; footwear; headgear</i>	Class 25 <i>Clothing, footwear, headgear</i>

32. I note that in its written submissions, the applicant states:

“we are not going to argue that the goods in classes 18 and 25....are not identical or similar....”

33. In making the comparison, I bear in mind that goods can be considered identical when those covered by an earlier mark are included in a wider term by a later mark (and vice versa); see *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) (MERIC) Case T- 133/05*.

34. *Suitcases* appears in both specifications in class 18 and are, self-evidently, identical goods. *Handbags* and *travelling bags* as appear in the applicant's specification are included within the term *bags* as appears in the opponent's specification and *travelling trunks* is included within the term *trunks* so these are also identical goods. *Rucksacks* are very highly similar if not identical to *bags* as both are portable articles carried by the public and used to store items being moved from one place to another and both will be sold through the same trade channels. As both

specifications in class 25 are for (articles of) clothing, footwear and headgear, these goods are, self-evidently, identical.

### **The average consumer and the nature of the purchasing process**

35. Each of the respective goods is a general consumer item likely to be bought by the general public. The goods as are included in class 18 are likely to be bought on a relatively infrequent basis whereas the goods included in class 25 are likely to be a fairly regular purchase. In all cases, these are goods which are widely available, from specialist stores on the high street or from department stores or supermarkets (or their internet or mail order equivalents).

36. As to the manner in which the goods are likely to be selected by the average consumer, this is most likely to consist of a visual act made on the basis of self selection in either a retail environment, from a catalogue or on-line (see for example the comments of the Appointed Person in *React Trade Mark* [2000] RPC 285).

37. In *New Look Ltd v Office for the Harmonization in the Internal Market* (Trade Marks and Designs) Joined cases T-117/03 to T-119/03 and T-171/03 the General Court considered the level of attention taken when purchasing goods in the clothing sector:

“43 It should be noted in this regard that the average consumer’s level of attention may vary according to the category of goods or services in question (see, by analogy, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 26). As OHIM rightly pointed out, an applicant cannot simply assert that in a particular sector the consumer is particularly attentive to trade marks without supporting that claim with facts or evidence. As regards the clothing sector, the Court finds that it comprises goods which vary widely in quality and price. Whilst it is possible that the consumer is more attentive to the choice of mark where he or she buys a particularly expensive item of clothing, such an approach on the part of the consumer cannot be presumed without evidence with regard to all goods in that sector. It follows that that argument must be rejected.”

38. As the *New Look* case acknowledges, the cost of clothing can vary considerably, however, as neither of the competing specifications in class 25 is limited in this respect, I must keep in mind goods across the whole price spectrum. Similarly, the competing specifications are not limited to specific types of clothing. Whilst I agree the average consumer’s level of attention is likely to be heightened when selecting, for example, a bespoke evening dress or clothing for a particular sport, it is also likely that the same average consumer’s level of attention will diminish when selecting, for example, an inexpensive dress for wearing as a cover-up on the beach or t-shirt for everyday use. While these examples demonstrate that the average consumer’s level of attention is likely to vary considerably given the cost and nature of the particular item being bought, I consider that even when selecting routine items the average consumer is likely to be conscious of factors such as the size, colour, material and price of the article concerned and its suitability for purpose and ease of being laundered. Overall, I think the average consumer is likely to pay at least a reasonable degree of attention to the selection of the goods at issue. Similar

considerations apply to the purchase of the goods within class 18: the average consumer is likely to pay at least a reasonable degree of attention to the purchase taking such factors as the material from which the article is made, whether it will co-ordinate with other articles, its ease of use and suitability for purpose as well as price.

### **Comparison of marks**

39. The average consumer is considered to be reasonably well informed, circumspect and observant but perceives trade marks as wholes and does not pause to analyse their various details. In addition, the average consumer rarely has the chance to make a direct comparison between trade marks and must instead rely upon the imperfect picture of them which has been kept in mind. In reaching a conclusion on similarity, I must identify what I consider to be the distinctive and dominant components of the respective trade marks and, with that in mind, I must then go on to compare the respective trade marks from the visual, aural and conceptual perspectives.

40. As each of the earlier marks is identical, I shall refer to them in the singular. The earlier mark consists of the ordinary dictionary word NEXT. As a single word with no emphasis of any sort, its distinctiveness rests in its whole. The mark of the application is for the word Nexo which again has no part emphasised and its distinctiveness rests in its whole.

41. Each of the respective marks is a four letter word and they differ only in respect of the last of their last letters. The applicant submits that:

“[t]he difference in the final letter in a mark that only comprises four letters is substantial and...not only alters the visual appearance of the mark but also alters the pronunciation and the conceptual meaning”.

It goes on to submit:

“NEXT is a commonly used English language word that means “immediately following” or “adjacent”. It is a term that we would submit is known to all English language speakers and specifically to the average consumer of [these] goods. The [word] NEXO is an invented word with no meaning in the English language.”

42. The opponent submits:

“it cannot be ignored that 75% of the marks are identical. This is a substantial percentage and further, these shared letters fall in the exact same pattern at the beginning of the marks which has a greater impact on the relevant consumer that (sic) the differing single letter at the end of the marks which will be seen as little more than a suffix. Further, since the word NEXO does not have a dictionary meaning but wholly contains 75% of the opponent’s earlier mark, it is likely that NEXO will be perceived as a derivative of NEXT and will bring to mind connotations with the word NEXT”.



43. In making my comparison, I take note of the findings in *Inter-Ikea Systems BV v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) T-112/06* where the Court held:

“54 As regards the visual comparison between the verbal element of the contested mark and the earlier word marks, the applicant claims that the only difference between them is the presence of the letter ‘d’ in the contested mark and the letter ‘k’ in the earlier word marks. However, the Court has already held in Case T-185/02 *Ruiz-Picasso and Others v OHIM – DaimlerChrysler(PICARO)* [2004] ECR II-1739, paragraph 54) that, in the case of word marks which are relatively short, even if two marks differ by no more than a single consonant, it cannot be found that there is a high degree of visual similarity between them.

55 Accordingly, the degree of visual similarity of the earlier word marks and the verbal element of the contested mark must be described as low.”

44. I agree that the word NEXT will be recognised by the average consumer as a word with a well known meaning and that it is a word which is in everyday use. The word Nexo has no meaning as far as I have been made aware and will not bring any particular image to mind. There is no conceptual similarity between the respective marks. The respective marks share their first three letters and differ only in respect of the fourth letters within them, however, whilst the word NEXT will be recognised as such by the average consumer, the letter O at the end of the word Nexo is somewhat striking, particularly as it follows the letter X and is somewhat unusual in appearance such that the visual differences between the two marks are clear. I consider the respective marks to be visually similar to a low degree.

45. Aurally, the earlier mark consists of a single syllable word whilst the application consists of a two syllable word. Whilst each starts with the same sound (nex) the endings of the words are entirely different. Whilst the letter T at the end of the opponent’s mark may not be particularly well enunciated in ordinary usage, the letter O at the end of the applicant’s mark will be spoken and heard quite clearly. The respective marks are aurally similar to a very low degree.

### **The distinctiveness of the earlier mark**

46. The distinctive character of a trade mark can be appraised only, first, by reference to the goods and services in respect of which it has been acquired and, secondly, by reference to the way it is perceived by the relevant public (see *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the goods and services for which it has been registered as coming from a particular undertaking and thus to distinguish those goods and services from those of other undertakings (see *Windsurfing Chiemsee v Huber and Attenburger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585.

47. I indicated above that the evidence of use shows the opponent to have a reputation in its mark in respect of womenswear, menswear and children’s wear. In

relation to the goods included within the class 18 specification, the evidence does not allow me to find that the inherent distinctive character of the mark (which I consider to be of an average level) will have been enhanced through its use.

### **The likelihood of confusion**

48. In determining whether there is a likelihood of confusion, a number of factors have to be borne in mind. The first is the interdependency principle whereby a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods and vice versa. I also have to factor in the distinctive character of the earlier marks as the more distinctive they are the greater the likelihood of confusion. I must also keep in mind the average consumer for the goods, the nature of the purchasing process and the fact that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely on the imperfect picture of them he has retained in his mind. Earlier in this decision I found that:

- the respective goods are identical;
- the respective marks are visually similar to a low degree, aurally similar to a very low degree and have no conceptual similarity;
- the purchase of the goods will be a result of a visual act and they will be bought by members of the general public who will pay at least a reasonable degree of attention to that purchase.

49. Taking all matters into account, I consider that the differences between the respective marks outweigh the similarities to such an extent that there is no likelihood of either direct or indirect confusion between the respective marks even where identical goods are involved.

50. The objection based on section 5(2)(b) of the Act fails.

### **The objection under section 5(3) of the Act**

51. Section 5(3) of the Act states:

“ A trade mark which-

- (a) is identical with or similar to an earlier trade mark shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (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.

52. The opponent puts its case in the following terms:

“ The trade mark applied for is similar to the Opponent’s trade mark NEXT and offends the provisions of Section 5(3) of the UK Trade Marks Act 1994,

because the Proprietor of the earlier marks has built up a substantial reputation in the mark NEXT throughout the United Kingdom and use of the mark applied for would take unfair advantage of or be detrimental to the distinctive character or repute of the earlier trade mark.

Clothing and fashion retailers often extend successful product lines to include other goods. These extended goods are likely to include fashion accessories, clothing accessories, bags, cosmetics, perfumes, toiletry goods, sunglasses, jewellery, watches, leather goods, bags and household goods.

The Opponent is a substantial company, with an international business and reputation. Its marks are used extensively within the United Kingdom. The opponent operates around 500 stores in the United Kingdom and has over 2 million active mail order and internet customers on its (sic) records. In 2009 the Opponent's annual turnover was in the order of £3.3 billion.

The Opponent has used its mark NEXT in relation to a wide range of goods sold in stores, by mail order catalogue and via their online website. The adoption by a third party of a confusingly similar trade mark, such as the mark applied for, is very likely to cause confusion amongst the average consumers, when used in relation to the services (sic) covered by Trade Mark Application No. M1073654, because the provision of services (sic) both identical and closely related to the services covered by the Opponent's earlier marks would take an unfair advantage of, or be detrimental to a distinctive character or repute of the Opponent's trade marks and registration of the mark applied for would be contrary to the provision of Section 5(3) of the Trade Marks Act 1994"

In its written submissions, the opponent further states:

"that use of the mark NEXO by the Applicant would take unfair advantage or be detrimental to the distinctive character built up by the Opponent in the mark NEXT. In particular, by dilution of the distinctive character and reputation built up by the Opponent and maintained in the mark NEXT. The Opponent sells a wide and expanding range of goods under the mark NEXT and provides a wide range of retail and extended services under the mark NEXT. Use of the similar NEXO mark on the goods and services (sic) covered by the mark applied for could easily lead to a dilution of the distinctive character of the Opponent's mark. The Applicant could, due to the close link between the goods and services be seen as deriving an advantage from using the Opponent's mark and riding on the "coat-tails" of the reputation built up by the Opponent in the mark NEXT".

53. In its notice of opposition, the opponent claims use of its mark in respect of the following goods and services:

Soaps, cosmetics, essential oils, perfumes, non-medicated toilet preparations, preparations for the hair, deodorants for use on the person, dentifrices; sunglasses, cases for spectacles and sunglasses, calculators, electronic organisers, cameras, cassette players, time recording devices, compact disc

players, computers, computer games, computer peripheral devices, radios, weighing machines; installations for lighting, lamps, lamp bases, lampshades, light bulbs, parts and fittings for all the aforesaid goods, installations for heating, cooking, refrigerating, drying and ventilating; bicycles and accessories for bicycles; precious metals and their alloys and goods made thereof or coated therewith, jewellery, precious stones, clocks, watches and chronometric instruments, watch straps, watch bracelets, parts and fittings for all the aforesaid goods; leather and leather imitations and goods made thereof, skins and hides, travelling trunks and suitcases, bags, umbrellas, parasols and walking sticks, whips, harnesses and saddler, parts and fittings for all the aforesaid goods; furniture, beds, bed heads, sofas, sofa beds, chairs, armchairs, tables, pillows, duvets, cushions, mattresses, bedding, parts and fittings for all the aforesaid goods; textiles, plastic material as substitute for fabric, bed and table covers, bed linen, table linen, household linen, wall hangings, blankets, quilts, duvets and duvet covers, sheets, pillow cases, bed valances, bed-covers, table cloths, table mats, napkins, linen fabrics, fabric wall coverings, curtains, curtain tie-backs, cushion covers, pelmets, blinds, covers for chairs and sofas, towels and face cloths; articles of clothing, footwear, headgear; carpets, rugs, mats and matting, non-textile wall coverings, wall papers, wall paper borders; games and playthings, gymnastic and sporting articles not included in other classes, decorations for Christmas trees; retail, distribution, business consultancy and financial services.

54. In her witness statement, Ms Noble claims that the opponent sells a wide range of clothing products, fashions accessories (unspecified), household goods (unspecified) and furniture. As indicated above, she provides turnover figures which are substantial and indicates that 89% of those sales are in respect of womenswear, menswear and childrenswear with the remaining 11% in respect of household goods (again unspecified). Whilst the extracts from the various catalogues she exhibits include a few pages showing a number of watches and there is an advertising insert which shows some furniture (whether or not the furniture was offered for sale or used as an illustration alone, is not clear), I do not consider this to be sufficient evidence to show there is a reputation in respect of these goods. There is no evidence at all in relation to the vast majority of the goods set out above, very limited evidence in relation to the remaining goods and no evidence in relation to the services claimed. The annual report and accounts from January 2009 exhibited at SLN4 do not assist in this regard either. In short, I do not consider the opponent is in any stronger position in relation to this ground that it was under section 5(2)(b). In case I am found to be wrong, however, and its reputation does extend beyond the goods under consideration under the earlier ground, I go on to consider the matter further.

55. The matter must be judged at a particular point(s) in time. In *Last Minute Network Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Joined Cases T-114/07 and T-115/07 the General Court stated:

“50 First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51 However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non registered national mark before the date of filing, in this case 11 March 2000.”

56. Whilst the applicant has claimed to have sold its goods to customers in the UK through its website, it has provided no evidence to support this claim. Its retail outlets are said to be in Germany (95) and Switzerland (7) only. Absent any evidence of use or sales in the UK, before the date the application was made for protection in the UK, I intend to consider the matter at this date: 10 March 2011.

57. In addition to having a reputation, a link must be made between the respective marks. In *Adidas-Salomon* Case C-408/01 the CJEU stated:

“The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23). The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABLE*, paragraph 22, and *Marca Mode*, paragraph 40).”

58. In my comparison of the respective marks set out above, I found that they shared the first three of their four letters. Whilst I found there to be no likelihood of confusion between them, it is possible, and I put it no higher than this, that some may make a link between the two marks.

59. I take note that both the CJEU and the General Court have reiterated the comment made in *Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767 (albeit in relation to section 10(3)) that the purpose of the Regulation is not to prevent registration of any mark which is identical or similar to a mark with a reputation and am mindful of the comments of Patten J in *Intel Corporation Inc v CPM United Kingdom* [2006] EWCH 1878 where he stated:

“But the first step to the exploitation of the distinctive character of the earlier mark is necessarily the making of the association or link between the two marks and all that Neuberger J is, I think, saying in this passage [*Premier Brands* at p789] is that the existence of a later mark which calls to mind the earlier established mark is not sufficient to ground an objection under s.5(3) or s10(3) unless it has one or other of the consequences specified by those provisions. It must be right that the making of the association is not necessarily to be treated as a detriment or the taking of an unfair advantage in itself and in cases of unfair advantage it is likely to be necessary to show that the making of the link between the marks had economic consequences beneficial to the user of the later mark.”

60. Although the issue of the effect on economic behaviour arose in the above case in the context of detriment or dilution, it is, I believe, reasonable to infer that similar considerations would also arise in the context of the question of unfair advantage. Indeed, in *Electrocoin Automatics Limited v Coinworld Limited and Others* [2005] FSR 7, Mr Geoffrey Hobbs Q.C., sitting as a Deputy Judge stated:

“102. I think it is clear that in order to be productive of advantage or detriment of the kind prescribed, “the link” established in the minds of people in the market place needs to have an effect on their economic behaviour. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose.”

61. In *C A Sheimer (M) Sdn Bhd’s TM Application (VISA)* [2000] RPC 484 Geoffrey Hobbs Q.C. sitting as the Appointed Person considered whether Sheimer’s mark:

“would, without due cause:

(iv) take unfair advantage of the distinctive character or repute of Visa International’s earlier trade mark”.

In setting out his finding, he stated:

“I think it is clear that Sheimer would gain attention for its products by feeding on the fame of the earlier trade mark. Whether it would gain anything more by way of a marketing advantage than that is a matter for conjecture on the basis of the evidence before me. Since I regard it as quite likely that the distinctive character or reputation of Visa International’s earlier trade mark would need to increase the marketability of Sheimer’s products more substantially than that in order to provide Sheimer with an unfair advantage of the kind contemplated by Section 5(3) I am not prepared to say that requirement (iv) is satisfied.”

62. I must be satisfied, therefore, that, for those people who make a link between the respective marks, the link they make affects their economic behaviour and, if so, that the reputation of the earlier mark is transposed to the later mark with the result that marketing and selling of the applicant’s goods becomes easier.

63. I do not consider that the applicant would gain any unfair advantage through the use of its mark. It is not clear to me exactly what advantage it would gain and, furthermore, there is no evidence of any intention on its part nor of any other added factor that would support the opponent’s claim under this ground. In relation to dilution, I can see no reason why the capacity of the earlier marks to distinguish the opponent’s goods would be diminished to any extent, and certainly not one that would have any impact on the economic behaviour of the relevant public. That being the case, the claims brought under section 5(3) of the Act fails.

### **The objection under section 5(4)(a) of the Act**

64. I do not consider that the opponent can be in any stronger position in relation to this earlier right and in relation to these goods and services than that which I have already considered under grounds brought under section 5(2)(b) and I decline to deal with it.

### **Summary**

65. The opposition has failed on each of the grounds on which it was brought.

### **Costs**

66. The opposition having failed, the applicant is entitled to an award of costs in its favour. I make the award on the following basis:

For preparing a statement and considering the other side's statement:	£200
For filing and reviewing evidence:	£800
For preparation of written submissions:	£300
<b>Total:</b>	<b>£1,300</b>

67. I therefore order Next Retail Limited to pay Polo Motorrad Und Sportswear GmbH the sum of £1,300. This sum is 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.

**Date this 27th day of August 2013**

**Ann Corbett  
For the Registrar  
The Comptroller-General**