

O/0472/23

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION
NO. 3631584 BY
SUSTAIN CLOTHING LIMITED
TO REGISTER THE TRADE MARK:

Sustain

IN CLASSES 18 AND 25

AND

OPPOSITION THERETO
UNDER NO. 427544
BY
THE NET-A-PORTER GROUP LTD

BACKGROUND & PLEADINGS

1. On 23 April 2021 Sustain Clothing Limited (“the applicant”), applied to register the trade mark shown on the front page of this decision in the United Kingdom. It was accepted and published in the Trade Marks Journal on 16 July 2021 for the following goods:

Class 18: Bags; Shopping bags; Weekend bags; Messenger bags; Canvas bags; Boston bags; Kit bags; Casual bags; Towelling bags; Nappy bags; Hand bags; Sports bags; Waist bags; Belt bags and hip bags; Makeup bags; Work bags; Game bags; Toilet bags; Courier bags; Changing bags; Diaper bags; Athletics bags; Barrel bags; Umbrella bags; Crossbody bags; Grips [bags]; Drawstring bags; Cabin bags; Cosmetic bags; Duffel bags; Duffle bags; Toiletry bags; Knitted bags; Evening bags; Shoulder bags; Cloth bags; Souvenir bags; Hiking bags; Book bags; School bags; Travelling bags; Travel bags; Bum bags; Carrying bags; Wheeled bags; Knitting bags; Roller bags; Beach bags; Sling bags; Shoe bags; Boot bags; Suit bags; Gladstone bags; Overnight bags; Gym bags; Sport bags; Athletic bags; Traveling bags; Tote bags; Luggage bags; Attaché bags; Hip bags; Belt bags; Clutch bags; Leather bags; Bucket bags; Carry-on bags; Make-up bags; Imitation leather bags; Travelling bags [leatherware]; Bags for school.

Class 25: Clothing; Clothes; Tops [clothing]; Knitted clothing; Hoods [clothing]; Leisure clothing; Infant clothing; Children's clothing; Childrens' clothing; Sports clothing; Leather clothing; Girls' clothing; Knitwear [clothing]; Playsuits [clothing]; Slipovers [clothing]; Jerseys [clothing]; Denims [clothing]; Combinations [clothing]; Shorts [clothing]; Babies' clothing; Ties [clothing]; Bandeaux [clothing]; Women's clothing; Bodies [clothing]; Embroidered clothing; Layettes [clothing]; Jackets [clothing]; Kerchiefs [clothing]; Chaps (clothing); Maternity clothing; Muffs [clothing]; Slips [clothing]; Wraps [clothing]; Athletic clothing.

2. The Net-a-Porter Group Ltd (“the opponent”) opposes the application on the basis of Sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). The opponent is the proprietor of the following “earlier mark”, pertinent details of which are as follows:

Mark: NET SUSTAIN
UK TM No: 3401416
Filing date: 22 May 2019
Date of registration: 6 September 2019

Goods and services relied upon:

Class 18: Goods made of leather or imitation leather, namely purses, wallets, bags, handbags, travelling bags and travelling cases, briefcases, boxes, key cases, cosmetics cases (sold empty), attaché cases; bags; bags [envelopes, pouches] of leather, for packaging; belts; boxes of leather; briefcases; business card cases; card cases [notecases]; cases of leather; credit card cases [wallets]; furniture coverings of leather; garment bags for travel; handbags; hat boxes of leather; haversacks; key cases; parasols; pocket wallets; purses; backpacks; satchels; shopping bags; suitcases; travelling bags; travelling trunks; umbrellas; vanity cases, not fitted; wallets.

Class 25: Clothing; footwear; headgear

Class 35: Retail services including online retail services connected with the sale of clothing, footwear, headgear, bags, handbags, wallets, purses.

3. The grounds of opposition in summary are as follows:

- a) S.5(2)(b): the opponent relies upon all of the above mentioned goods and services and contends that, “The marks are similar visually, aurally and conceptually and coincide in the SUSTAIN element. The parties’ goods are identical and closely similar. The similarities between the parties’ marks and goods are such that there exists likelihood of confusion on the part of the public.”
- b) S.5(3): For this ground of attack, the opponent relies only upon “Retail services including online retail services connected with the sale of clothing, footwear, headgear, bags, handbags, wallets, purses” covered by the earlier mark.

The opponent claims to have used the earlier mark for a number of years and has built up a reputation in connection with the goods and services covered by the registration. The opponent argues that the applicant will benefit from its investment in advertising, leading to advantage. Further that the applicant will ride on its coat tails and will benefit from the power of attraction, reputation and prestige of the earlier mark. The opponent also claims that the later use will be out of its control and that poor quality or offensive goods will cause detriment to its valuable reputation and business. It

claims that use of the later mark will dilute the distinctive character and reputation of its mark.

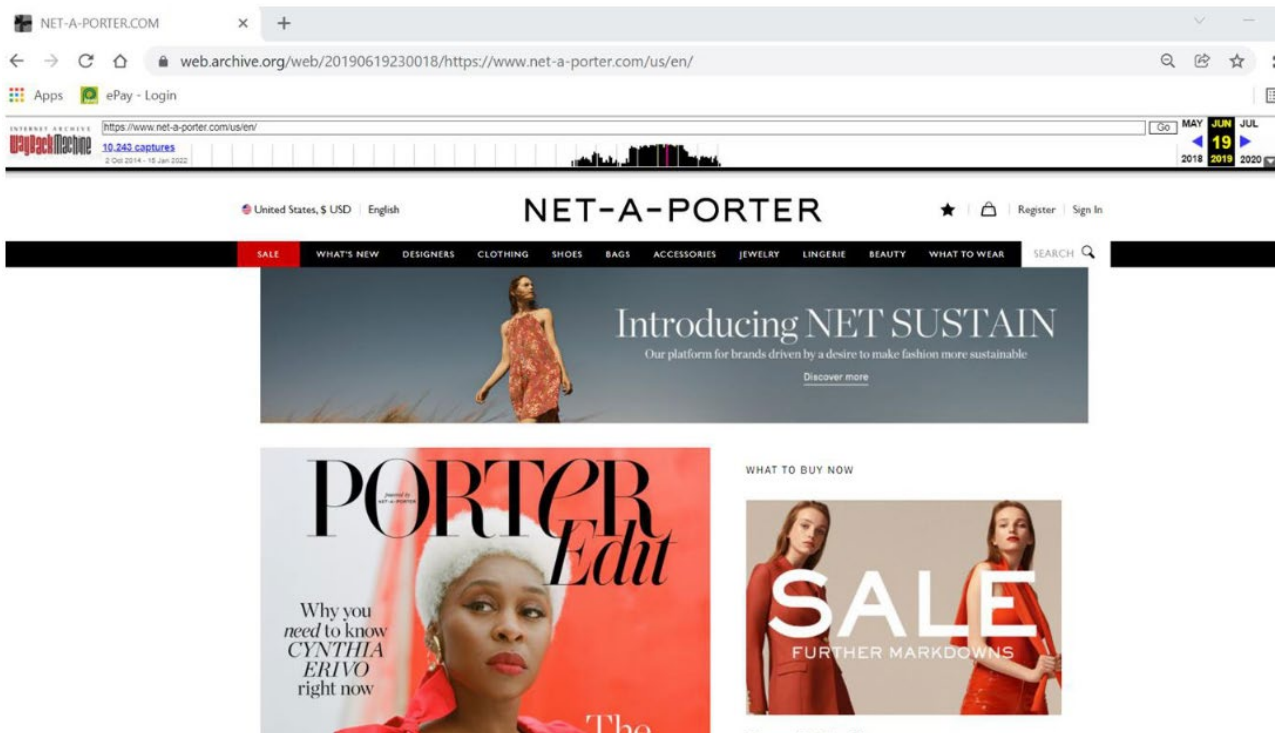
c) S.5(4)(a): the opponent claims to have acquired goodwill through the provision of the following services, “retail services including online retail services connected with the sale of clothing, footwear, headgear, bags, handbags, wallets, purses”, under the sign “NET SUSTAIN” since 19 June 2019, throughout the UK. The opponent claims that use of the applied for mark would therefore be a misrepresentation to the public and result in damage to the aforementioned goodwill.

4. The applicant filed a counterstatement denying the claims made. It also makes various statements which I have read and shall address later in this decision.
5. Only the opponent filed evidence in these proceedings. Both parties filed written submissions which I have read and will take into account where necessary. Neither party requested a hearing. Therefore, this decision is taken following a careful perusal of the papers.
6. In these proceedings, the applicant is unrepresented whereas the opponent is represented by HGF Limited
7. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to trade mark case law of EU courts.

Evidence

8. The opponent’s evidence consists of a witness statement from Elizabeth May dated 8 June 2022 who is “an Attorney-in-Fact” for the opponent.
9. The evidence states that the opponent was founded in 2000 as an online retailer of designer brands of footwear, clothing, headgear and accessories. It states that NET SUSTAIN was launched on 19 June 2019 with over 500 products from 26 fashion brands, which are sold exclusively through its website.

10. An example of how the mark appears on the website is duplicated below. The text below “NET SUSTAIN” states “Our platform for brands driven by a desire to make fashion more sustainable”:



11. The evidence broadly aims to demonstrate its reputation and goodwill, and therefore I shall summarise it further in the relevant parts of this decision.

DECISION

Section 5(2)(b)

The law

12. The relevant law is as follows:

“A trade mark shall not be registered if because –

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.

“5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the

trade mark is applied for, the application is to be refused in relation to those goods and services only.””

The case law

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

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

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

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

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

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

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

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

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

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

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

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

Comparison of goods

14. The competing goods to be compared are shown in the following table:

Applied for goods	Opponent's goods/services
<p>Class 18: Bags; Shopping bags; Weekend bags; Messenger bags; Canvas bags; Boston bags; Kit bags; Casual bags; Towelling bags; Nappy bags; Hand bags; Sports bags; Waist bags; Belt bags and hip bags; Makeup bags; Work bags; Game bags; Toilet bags; Courier bags; Changing bags; Diaper bags; Athletics bags; Barrel bags; Umbrella bags; Crossbody bags; Grips [bags]; Drawstring bags; Cabin bags; Cosmetic bags; Duffel bags; Duffle bags; Toiletry bags; Knitted bags; Evening bags; Shoulder bags; Cloth bags; Souvenir bags; Hiking bags; Book bags; School bags; Travelling bags; Travel bags; Bum bags; Carrying bags; Wheeled bags; Knitting bags; Roller bags; Beach bags; Sling bags; Shoe bags; Boot bags; Suit bags; Gladstone bags; Overnight bags; Gym bags; Sport bags; Athletic bags; Traveling bags; Tote bags; Luggage bags; Attaché bags; Hip bags; Belt bags; Clutch bags; Leather bags; Bucket bags; Carry-on bags; Make-up bags; Imitation leather bags; Travelling bags [leatherware]; Bags for school.</p>	<p>Class 18: Goods made of leather or imitation leather, namely purses, wallets, bags, handbags, travelling bags and travelling cases, briefcases, boxes, key cases, cosmetics cases (sold empty), attaché cases; bags; bags [envelopes, pouches] of leather, for packaging; belts; boxes of leather; briefcases; business card cases; card cases [notecases]; cases of leather; credit card cases [wallets]; furniture coverings of leather; garment bags for travel; handbags; hat boxes of leather; haversacks; key cases; parasols; pocket wallets; purses; backpacks; satchels; shopping bags; suitcases; travelling bags; travelling trunks; umbrellas; vanity cases, not fitted; wallets.</p>
<p>Class 25: Clothing; Clothes; Tops [clothing]; Knitted clothing; Hoods [clothing]; Leisure clothing; Infant clothing; Children's clothing;</p>	<p>Class 25: Clothing; footwear; headgear</p>

Childrens' clothing; Sports clothing; Leather clothing; Girls' clothing; Knitwear [clothing]; Playsuits [clothing]; Slipovers [clothing]; Jerseys [clothing]; Denims [clothing]; Combinations [clothing]; Shorts [clothing]; Babies' clothing; Ties [clothing]; Bandeaux [clothing]; Women's clothing; Bodies [clothing]; Embroidered clothing; Layettes [clothing]; Jackets [clothing]; Kerchiefs [clothing]; Chaps (clothing); Maternity clothing; Muffs [clothing]; Slips [clothing]; Wraps [clothing]; Athletic clothing.	
	Class 35: Retail services including online retail services connected with the sale of clothing, footwear, headgear, bags, handbags, wallets, purses.

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

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

Class 18

16. All of the applied for goods are various types of bags and therefore applying the *Merici* principle (broader terms can encompass the more specific types of goods), they are clearly identical to the opponent's *bags*.

Class 25

17. All of the applied for goods are various types of clothing and therefore applying the *Merici* principle, they are clearly identical to the opponent's *clothing*.
18. For reasons which will become apparent later in this decision, I also find that the opponent's earlier retailing of the various goods covered by the applied for mark are similar to a medium degree to the applied for class 18 and 25 goods. Whilst the respective goods and services differ in nature, purpose and method of use, they are complementary and distributed through the same channels.

Average Consumer and the Purchasing Act

19. The average consumer is deemed to be reasonably well informed, observant and circumspect. For the purposes of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods and services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*. In *Hearst Holdings & Anor v A.V.E.L.A. Inc & Ors*, [2014] EWHC 439 (Ch), at paragraph 70, Birss J (as he then was) described the average consumer in these terms:

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

20. The goods at issue are essentially various bags and items of clothing. The average consumer of the goods will be a member of the general public. Various factors will be taken into account during the purchasing process such as aesthetics, durability and material. The goods will vary in price, and all will be purchased reasonably frequently. Taking all of this into consideration, I consider it likely that a medium degree of attention will be paid during the purchase.
21. The goods are likely to be self-selected from the shelves of a retail outlet or their online or catalogue equivalents. Visual considerations are, therefore, likely to dominate the selection process. However, given that advice may be sought from retail assistants, I do not discount an aural component to the purchase. I also find that the class 35 services will be visually self-selected, whilst also taking into account aural recommendations.


Comparison of Trade Marks

22. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of

the European Union (“CJEU”) stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

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

Applied for mark	Earlier mark
	NET SUSTAIN

Overall impression

25. The earlier mark consists of the words “NET SUSTAIN”, both of which contribute to the overall impression of the mark with neither dominating the other.
26. The applied for mark consists of the word “SUSTAIN” with slight stylisation, in particular the letter “i” is in the shape of a branch or bamboo stick. The stylisation of the letter “i” is noticeable, but it is the word that dominates the overall impression of the mark.

Visual comparison

27. The visual differences between the marks are the presence of the word “NET” in the earlier mark and the stylised letter “i” in the applied for mark. They are similar insofar that they share the word “SUSTAIN”.
28. In view of the above, I find there is at least a medium degree of visual similarity.

Aural comparison

29. Neither the minor stylisation nor the stick/bamboo element of the letter “I” will be enunciated.
30. The word element “SUSTAIN” will be identically pronounced in both marks and therefore the only difference between them is the word “NET”, which is the first word of the earlier mark. Therefore, I find there to be at least a medium degree of aural similarity.

Conceptual comparison

31. For a conceptual message to be relevant it must be capable of immediate grasp by the average consumer.¹ The opponent submits that the word “SUSTAIN” has several meanings, these include:
 - To cause or allow something to continue for a period of time
 - To keep alive
 - To suffer or experience, especially damage or loss.
32. The opponent argues that neither mark has a defined meaning for the goods and services. I do agree with this but that doesn’t mean that there can be no conceptual similarity.
33. There are two groups of consumers at play. Some consumers may view the applied for mark as either being short for, or strongly evocative of, the word “sustainable”. For these consumers, combining “NET” and “SUSTAIN” does allude to the goods being created in an environmentally sustainable way. This accords with the opponent’s evidence that, “Our platform for brands driven by a desire to make fashion more sustainable” (see paragraph 14 above). In view of this, for consumers that view “SUSTAIN” as outlined, there is a medium degree of conceptual similarity.
34. For consumers who do not view SUSTAIN as being short for sustainable, they are likely to give it its natural dictionary definition. The presence of NET in the earlier mark does not alter this meaning and therefore there is conceptual similarity by virtue of both containing the word SUSTAIN. I consider the level of conceptual similarity for these consumers to also be medium.

Distinctive Character of The Earlier Trade Mark

35. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97, paragraph 22 and 23, the CJEU stated that:

¹ *Ruiz Picasso v OHIM* [2006] e.c.r.-I-643; [2006] ETMR 29

“In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

Registered trade marks possess varying degrees of inherent distinctive character: perhaps lower where a mark may be suggestive or allusive of a characteristic of the goods, ranging up to those with high inherent distinctive character, such as invented words which have no allusive qualities.

36. From an inherent perspective, the opponent argues that “NET SUSTAIN” enjoys a normal level of distinctive character since “the ordinary meanings of ‘sustain’ are not relevant to the goods and services.” I agree that to some consumers the words “NET SUSTAIN” will have no real meaning for all of the relied upon goods and services, and therefore I would pitch its distinctive character as (at best) medium. However, as previously stated, some consumers will pick up on the words being allusive or suggestive of brands which have an environmentally sustainable ethos. To those consumers, the earlier mark is inherently distinctive to a degree below medium, but not low.
37. The opponent has filed evidence aimed at demonstrating that it has an enhanced degree of distinctive character. The opponent claims to have a reputation for, “Retail services including online retail services connected with the sale of clothing, footwear, headgear, bags, handbags, wallets,

purses”. It does not claim to have an enhanced degree of distinctive character for the goods covered by the earlier mark and, indeed, there is no evidence to support there being use for the goods themselves. Therefore, I shall only assess the position in connection with the class 35 services.

38. The date I am required to assess whether the distinctive character of the earlier mark is enhanced is the application date – 23 April 2021.
39. The opponent’s evidence shows that UK sales “from the NET SUSTAIN edit between 19 June 2019 and 22 April 2021 exceeded £87 million”². This is broken down as follows:

Year	Net sales of goods listed on the NET SUSTAIN edit
2019* *19 June – 31 Dec ‘19	In excess of £640,000
2020	In excess of £36m
2021* *1 Jan -22 Apr ‘21	In excess of £50m

40. Elizabeth May’s witness statement states that the opponent does not have specific promotional or advertising figures for the earlier mark. However, it does provide “a redacted schedule of Net-a-Porter’s launch communications plan for the NET SUSTAIN edit outlining a selection of global promotional activities in relation to the edit between May and June 2019”.³ The schedule consists of a broad range of marketing activities referred to as, for example, “Influencers – Interview with Maggie Marilyn by Victoria In The Frow”, “Paid Search – Dedicated global paid search campaigns on Google, Bing and Yahoo”. The schedule does not include how many people viewed the marketing or the extent of views.
41. The witness statement states that the earlier mark is prominent on NET-A-PORTER’s website and social media posts. For the period 1 January 2019 to 10 February 2020, the website had over 40 million visitors from the UK. Between 19 June 2019 and 22 April 2021, the website had 63 million UK visitors, resulting in “over 17 million sessions (i.e. user interaction with the website)”.⁴ Elizabeth May claims that NET SUSTAIN contributes approximately 30% and therefore it is reasonable to assume that NET SUSTAIN is viewed by several million per annum.

² Para. 13 of Elizabeth May’s witness statement

³ Paragraph 18 of the witness statement

⁴ Paragraph 30

42. Taking all of the above into account, I consider that the earlier mark's distinctive character has been enhanced by virtue of the use made of it for the class 35 services. There are flaws in the evidence, for example there are no advertising figures, extent of exposure of the mark, etc, and therefore, I consider it to be enhanced by only a modest degree, i.e. medium for those that view SUSTAIN as being evocative or short for sustainable, and less that give "SUSTAIN" its ordinary dictionary meaning.

Likelihood of confusion

43. In assessing the likelihood of confusion, I must adopt the global approach set out in the case law to which I have already referred above in this decision. Such a global assessment is not a mechanical exercise. I must also have regard to the interdependency principle, i.e., that a lesser degree of similarity between the goods may be offset by a greater degree of similarity between the marks, and vice versa.⁵ It is essential to keep in mind the distinctive character of the opponent's trade mark since the more distinctive the mark, the greater the likelihood of confusion. I must also keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon imperfect recollection.⁶

44. I have found that the inherent distinctive character of the earlier mark is medium (at best) for consumers that don't see it as being allusive/suggestive. Whilst I have found that the earlier mark has an enhanced distinctive character by virtue of the use made of it, this relates only to the class 35 services. As I have found the respective goods to be identical, I shall proceed on the basis of these goods and the inherent distinctive character rather than the services with a modest enhancement to the distinctive character.

45. I have found the respective marks to be aurally and conceptually similar to a medium degree, and visually similar to least a medium degree. As previously stated, I have found the goods to be identical. I have also found that the goods are predominantly purchased via a visual inspection of the marks, though I do not discount aural recommendations, and the goods would be purchased following a medium degree of care and attention.

⁵ See *Canon Kabushiki Kaisha*, paragraph 17.

⁶ See *Lloyd Schuhfabrik Meyer*, paragraph 27.

46. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. I shall begin by considering a likelihood of direct confusion.
47. Taking into account that the earlier mark consists of two words rather than one, I do not consider there to be a likelihood of direct confusion. In other words, consumers faced with goods branded SUSTAIN who then encountered NET SUSTAIN would notice the inclusion of NET, and vice versa. Therefore, they are not likely to be directly confused into thinking they are the same.
48. I now go on to consider indirect confusion. In *L.A. Sugar Limited v By Back Beat Inc*, Case BL O/375/10, Mr Iain Purvis Q.C. (as he was then), as the Appointed Person, explained that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: ‘The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark’.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (‘26 RED TESCO’ would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-

brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ('FAT FACE' to 'BRAT FACE' for example)."

49. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ referred to the comments of James Mellor QC (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria* (O/219/16), where he said at [16] that "a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion". Arnold LJ agreed, pointing out that there must be a "proper basis" for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion.
50. Further, it is not sufficient that a mark merely calls to mind another mark: *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17. This is mere association not indirect confusion.
51. I also take into account the decision *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch) in which the court confirmed that if the only similarity between the respective marks is a common element which has low distinctiveness, that points against there being a likelihood of confusion.
52. As previously stated there are two groups of consumers. One who gives sustain its ordinary natural meaning and the other views sustain as being short for, or evocative of, the word "sustainable". For the former group I find that there is a likelihood of indirect confusion as the common element is not low in distinctive character and the average consumer would consider the respective goods as originating from the same economically linked group.
53. For the latter group, I find that the average consumer is likely believe that the marks are from the same or economically linked undertakings. Going from being a sustainable brand to a net sustainable brand is a natural extension of the sustain brand. Therefore, this group of average consumers will notice they share the common element "SUSTAIN", notice the inclusion of "NET" and conclude that they are under the control of one undertaking.
54. The s.5(2)(b) claim succeeds.

Section 5(3)

55. For completeness, I shall go on to consider the remaining grounds, beginning with the s.5(3) of the Act claim.

56. The law is as follows:

“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 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.”

57. S.5(3A) states:

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

58. The conditions of s.5(3) are cumulative. First, the opponent must show that the earlier mark is similar to the application. Secondly, it must satisfy me that the earlier mark has achieved a level of knowledge/reputation amongst a significant part of the relevant public. Thirdly, it must be established that the level of reputation and the similarities between the marks will cause the public to make a link between them, in the sense of the earlier mark being brought to mind by the application. Fourthly, assuming that the first three conditions have been met, section 5(3) requires that one or more of the three types of damage claimed will occur. It is unnecessary for the purposes of section 5(3) that the goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

Reputation

59. In *General Motors*, Case C-375/97, the CJEU held that:

“24. The public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or services marketed, either the public

at large or a more specialised public, for example traders in a specific sector.

25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

60. I remind myself that the opponent is relying upon its earlier mark, claiming that it has a reputation for the class 35 services, and not for the goods themselves.

61. For the reasons given at paragraphs 37 to 42 I am satisfied that the earlier mark had, at the relevant date, a reputation for, "Retail services including online retail services connected with the sale of clothing, footwear, headgear, bags, handbags, wallets, purses".

The link

62. As I noted above, my assessment of whether the public will make the required mental 'link' between the marks must take account of all the relevant factors identified in *Intel* are:

The degree of similarity between the respective marks

63. I compared the respective marks at paragraphs 24 to 34, above. I found them to be aurally and conceptually similar to a medium degree and visually similar to at least a medium degree.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

64. The goods at issue are bags, clothing and the retail thereof. In *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46-57, the General Court held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree. Taking these factors into account, I find that the respective goods and services to be similar to a medium degree (this is in accordance with my finding at paragraph 18).

Strength of the earlier mark's reputation

65. For the reasons set out in paragraphs 37 to 42 above, I pitch the strength of the earlier mark's reputation to be modest.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

66. For consumers that view the earlier mark as being suggestive/allusive for being environmentally friendly, the inherent distinctive character is below medium, but not low. For those that do not see the suggestive/allusive nature, it is inherently distinctive to a medium degree (at best). Further, the distinctive character of the earlier mark is enhanced by virtue of the use made of it.

Whether there is a likelihood of confusion

67. I find that there would be a likelihood of indirect confusion for the earlier relied upon class 35 services and the applied for goods.

Damage

68. I must now assess whether any of the pleaded types of damage will arise. The opponent submits that the use of the application would take unfair advantage of the reputation of its earlier mark, would tarnish the earlier

mark and dilute its distinctive character, ultimately affecting consumers' economic behaviour and potentially diminishing the opponent's revenue.

69. In *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) Arnold J. concluded that:

"80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. 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."

70. I have found that there is a likelihood of confusion between the competing marks, whereby a consumer may select the applicant's goods in the mistaken belief that they originate from the opponent, or at least a party related to the opponent. That being so, even if there is no intention on the part of the applicant, it is clearly foreseeable that it would secure an unfair commercial advantage, benefitting from the opponent's existing reputation and investment and potentially diverting consumers to the applicant. As a finding of unfair advantage is sufficient to satisfy a claim under s.5(3), I need not consider the remaining heads of damage.

Outcome

71. The claim under s.5(3) succeeds.

Section 5(4)(a)

72. I remind myself that the s.5(4)(a) claim is against all of the applied for goods and that the opponent relies upon goodwill it has associated under the sign NET SUSTAIN since 19 June 2019, for the provision of retail services including online retail services connected with the sale of clothing, footwear, headgear, bags, handbags, wallets, purses.

73. The relevant law states that:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule or law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection 4(A) is met...”

Subsection 4(A) is as follows:

“The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

74. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

75. The relevant date is the filing date of the application, namely 23 April 2021.

Goodwill

76. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co’s Margarine* [1901] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantages of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”

77. Given my findings on reputation under s.5(3), I am satisfied that at the relevant date the opponent had goodwill in a business for “retail services including online retail services connected with the sale of clothing, footwear, headgear bags, handbags, wallets, purses” and that the sign NET SUSTAIN was distinctive of that goodwill.
78. The test for whether misrepresentation occurs is whether, on the balance of probabilities, a substantial number of the opponent’s customers/potential customers will be misled into purchasing the applicant’s goods in the belief that they are the opponent’s goods⁷.
79. In *Comic Enterprises Ltd v Twentieth Century Fox Film Corporation* [2016] EWCA Civ 41, Kitchin LJ considered the role of the average consumer in the assessment of a likelihood of confusion. Kitchen L.J. concluded:

“... if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court then it may properly find infringement.”

The goods for which the opponent has established it has goodwill in the respect of the retail thereof are the same as the applied for goods. Therefore, I find that there is a common field of activity between the applied for bags and clothing, and the goodwill. I consider that the use of the application, which for the reasons stated under the s.5(2)(b) assessment are broadly similar marks to a medium degree, would create a misrepresentation. For example, an expansion of the opponent’s retailing of goods to include a business which shows the sign on the goods themselves.

⁷ *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC Morritt L.J.

80. In view of my findings above, I also find that damage would follow by virtue of lost sales.

81. The section 5(4)(a) claim succeeds against all of the applied for goods.

OVERALL CONCLUSION

82. The opposition succeeds and, subject to appeal, the application for registration shall be refused.

COSTS

83. The opponent has been successful and is entitled to a contribution towards its costs. Awards of costs are governed by Annex A of Tribunal Practice Notice (TPN) 2/2016. I award costs to the opponent as a contribution towards the cost of the proceedings on the following basis:

Official fee	£200
Preparing a statement of case and considering the counterstatement	£400
Preparing evidence	£600
TOTAL	£1200

84. I, therefore, order Sustain Clothing Limited to pay The Net-A-Porter Group Ltd the sum of £1200. The above sum should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings.

Dated this 22nd day of May 2023

**Mark King
For the Registrar,
The Comptroller General**