

O/270/12

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO 2542473

BY

BOI TRADING COMPANY LIMITED

TO REGISTER THE TRADE MARK:



IN CLASSES 3, 18 AND 25

AND

THE OPPOSITION THERETO

UNDER NO 101075

BY

NEXT RETAIL LIMITED

1) On 18 March 2010 Boi Trading Company Limited (Boi) filed an application to register the trade mark:



The trade mark was published in the *Trade Marks Journal*, for opposition purposes, on 16 July 2010 with the following specification:

toiletries; aftershave; perfume; cosmetics; essential oils; soaps; shampoos; dentifrices; hair lotions;

leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; wallets; handbags; rucksacks; bags; trunks and travelling bags; umbrellas, parasols and walking sticks;

clothing, footwear, headgear.

The above goods are in classes 3, 18 and 25 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended.

2) On 15 October 2010 Next Retail Limited (NRL) filed an opposition to the registration of the trade mark in respect of all goods.

3) NRL relies upon sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (the Act).

4) Section 5(2)(b) of the Act states:

—2) 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.”

Section 5(3) of the Act states:

—3) 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 or international trade mark (EC) 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.”

Section 5(4)(a) of the Act states:

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

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

The principles of the law of passing-off were summarised by Lord Oliver in *Reckitt & Colman Products Ltd v. Borden Inc* [1990] RPC 341 at page 406:

—The law of passing off can be summarised in one short, general proposition: no man may pass off his goods as those of another. More specifically, it may be expressed in terms of the elements which the plaintiff in such an action has to prove in order to succeed. These are three in number. First he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying 'get-up' (whether it consists simply of a brand name or trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff's goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by him are the goods or services of the plaintiff. ... Thirdly he must demonstrate that he suffers, or in a *quia timet* action that he is likely to suffer, damage by reason of the erroneous belief engendered by the defendant's misrepresentation that the source of the defendant's goods or services is the same as the source of those offered by the plaintiff.”

5) In relation to sections 5(2) and 5(3) of the Act, NRL relies upon the trade mark registrations detailed below.

- United Kingdom trade mark registration no 2101187 of the trade mark NXT. The application for registration was filed on 28 May 1996 and the registration process was completed on 13 December 1996. The trade mark is registered for:

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;

articles of clothing; footwear; headgear.

The above goods are in classes 18 and 25 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. NRL claims that it has used the trade mark in respect of *leather goods, bags, clothing, footwear and headgear*. For the purposes of section 5(3) of the Act NRL claims to have a reputation in respect of all of these goods.

- Community trade mark registration no 281956 of the trade mark NXT. The application for registration was filed on 7 June 1996 and the registration process was completed on 21 December 1998. The trade mark is registered for:

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 saddlery; parts and fittings for all the aforesaid goods;

articles of clothing; footwear; headgear.

The above goods are in classes 14, 18 and 25 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. NRL claims that it has used the trade mark in respect of *leather goods, bags, clothing, footwear and headgear*. For the purposes of section 5(3) of the Act NRL claims to have a reputation in respect of all of these goods.

- Community trade mark registration no 15594 of the trade mark NEXT. The application for registration was filed on 1 March 1996 and the registration process was completed on 19 October 1998. The trade mark is registered for:

soaps; cosmetics; essential oils; perfumes; non-medicated toilet preparations; preparations for the hair; deodorants for use on the person; dentifrices;

installations for lighting; lamps; lamp bases; lampshades; light bulbs; parts and fittings for all the aforesaid goods;

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 saddlery; 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 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-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.

The above goods are in classes 3, 11, 14, 18, 20, 24, 25 and 27 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. NRL claims that it has used the trade mark in respect of all of the goods of the registration. For the purposes of section 5(3) of the Act NRL claims to have a reputation in respect of all of the goods.

- Community trade mark registration no 1620434 of the trade mark NEXT. The application for registration was filed on 19 April 2000 and the registration process was completed on 2 July 2003. The trade mark is registered for:

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;

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 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 above services are in classes 35 and 42 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. NRL claims that it has used the trade mark in respect of all of the services of the registration. For the purposes of section 5(3) of the Act NRL claims to have a reputation in respect of all of the services.

- United Kingdom registration no 2026917 of the trade mark NEXT. The application for registration was filed on 13 July 1995 and the registration process was completed on 22 March 1996. The trade mark is registered for:

articles of clothing; footwear; headgear.

The above goods are in class 25 of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. NRL claims that it has used the trade mark in respect of all of the goods of the registration. For the purposes of section 5(3) of the Act NRL claims to have a reputation in respect of all of the goods.

- United Kingdom registration no 2453621 for a series of two trade marks:



The application for the registration of the trade marks was filed on 25 April 2007 and the registration process was completed on 24 October 2008. The trade marks are registered for:

bleaching preparations and other substances for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; perfumery, essential oils, cosmetics, hair lotions; dentifrices;

candles;

sunglasses; glasses; spectacle cases; scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus;

apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes;

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;

paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks;

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;

furniture, mirrors, picture frames; goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics;

household or kitchen utensils and containers; combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes;

textiles and textile goods, not included in other classes; bed and table covers;

clothing, footwear, headgear;

lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers;

carpets, rugs, mats and matting, linoleum and other materials for covering existing floors; wall hangings (non-textile);

games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees;

meat, fish, poultry and game; meat extracts; preserved, frozen, dried and cooked fruits and vegetables; jellies, jams, compotes; eggs, milk and milk products; edible oils and fats;

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.

The above goods and services are in classes 3, 4, 9, 11, 14, 16, 18, 20, 21, 24, 25, 26, 27, 28, 29 and 35 respectively of the Nice Agreement concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks of 15 June 1957, as revised and amended. For the purposes of section 5(3) of the Act NRL claims to have a reputation in respect of all of the goods and services.

6) NRL claims that it has goodwill which is related to the sign NXT. It claims that it has used NXT in the United Kingdom for more than 20 years on leather goods, clothing, footwear and clothing. NRL claims that it has goodwill which is related to the sign NEXT. It claims that it has used NEXT across the United Kingdom since 1982. NRL claims the NEXT has been used in relation to a wide variety of goods and services and gives a list of —~~some~~” of them. Included in the list are:

soaps; cosmetics; essential oils; perfumes; non-medicated toilet preparations; preparations for the hair; deodorants for use on the person; dentifrices;

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;

articles of clothing; footwear; headgear.

NRL describes itself as a large retail organisation.

7) NRL claims that it has built up a considerable reputation in the trade marks NEXT and NXT in the United Kingdom and that they benefit from a high degree of acquired distinctive character. It preys in aid all facets of section 5(3) of the Act but does not claim, in its statement of grounds, that there would be tarnishing.

8) Boi filed a counterstatement in which it states:

- 1) All of the grounds of Opposition are denied by the Applicant.
- 2) It is denied that the Marks of the Opponent and the Applicant are similar to one another and the Opponent is put to strict proof thereof.
- 3) It is denied that the Marks of the Opponent have a reputation in the UK and the Opponent is put to strict proof thereof.
- 4) It is denied that the Mark of the Opponent is an earlier right in the UK and the Opponent is put to strict proof thereof.
- 5) The Opposition should be denied in its entirety and an award of costs made in the Applicant’s favour.”

Boi seeks proof of use in respect of ~~all~~ of the goods relied upon by the Opponent in these proceedings”.

9) Registration no 2453621 is not subject to proof of use¹. The other trade mark registrations of NRL were registered for more than five years at the date of the publication of the application and so, in order to rely upon them, NRL needs to prove genuine use in respect of the goods and services in relation to which use has been claimed, between 17 July 2005 and 16 July 2010.

10) NRL filed evidence.

11) A hearing was held on 28 June 2012. NRL was represented by Mr Shaun Sherlock of Marks & Clerk LLP. Boi was represented by Mr Alastair Rawlence of William A Shepherd & Son Limited.

Witness statement of Sarah Louise Noble

12) Ms Noble is a company solicitor of NRL.

13) NRL is a wholly owned subsidiary of Next Group Plc. Ms Noble states that NRL first adopted and used the trade mark NEXT in 1982 in the United Kingdom ~~upon~~ and in relation to a wide range of clothing products, fashion accessories and household goods”. These goods have been sold through Next retail outlets, which are owned or controlled by NRL. Since 1982 NRL has continuously operated a chain of high street stores in the United Kingdom. As of 24 May 2011 there were over 500 stores in the United Kingdom.

14) In 1988 NRL launched a mail order catalogue service and in 1999 an online shopping website, at next.co.uk. In 2000 the mail order catalogue gained its one millionth ~~active~~ customer and by 2007 there were over 2 million active customers.

15) Ms Noble states that NRL sells a variety of goods under the trade mark NEXT; including clothing, footwear, headgear, fashion accessories, household goods and electrical goods. She states that the trade mark NEXT is applied to these goods, the stores, the mail order catalogues and the online shopping website. Exhibit 2 consists of a copy of Next factfile of 4 February 2005; at page 25 the following is written:

~~N~~EXT Home are known for their wide appeal to those who appreciate comfort, easy care fabrics, and innovative design ideas. The collection offers customers the opportunity to add style to every room in their home with a range of contemporary furniture and furnishings as well as wallcoverings, rugs, lighting and accessories.”

16) At exhibit 3 are copies of pages from NRL's mail order catalogues from spring/summer 2006, spring/summer 2007, autumn/winter 2008, spring/summer 2009. This exhibit shows use of NEXT in relation to:

clothing and footwear for men, women and children;
footwear for children;
bags for women;
personal care and perfumery products for women;
perfumery for men.

Toys and games are shown but bear the trade marks of others. Some perfumery products are shown which bear the trade marks of others.

17) At exhibit 4 is a list of stores in the United Kingdom as of 2 October 2006. Stores are shown throughout the United Kingdom.

18) The annual turnover for Next Plc has been as follows:

2001	£1.6 billion
2002	£1.9 billion
2003	£2.2 billion
2004	£2.5 billion
2005	£2.9 billion
2006	£3.1 billion
2007	£3.3 billion
2008	£3.3 billion
2009	£3.3 billion

19) Ms Noble gives an approximate breakdown of sales: women's wear – 46.5%; men's wear – 24%; children's wear – 18.5%; other goods, including household goods – 11%.

20) The annual costs of promotional activities are as follows:

2002	£5,378,000
2003	£4,324,577
2004	£17,000,000
2005	£17,394,777
2006	£25,945,184
2007	£46,763,351

NRL has promoted its goods via magazine inserts, press and magazine advertisements and television advertisements. Exhibit 7 gives details of publications in which this promotion has taken place. Examples of advertisements are included. These show advertisements for the Next Directory for autumn/winter 2005. In the advertisements, pages from the catalogue are

reproduced which show: a coffee table, a nest of tables, a print, a sideboard, a table, leather chairs, cushions, a light fitting, a bedstead and headboard, a tall chest, a bedside cabinet, a tallboy, a towel ladder, a mirror, a mirror cabinet, a shower curtain, a sculpture and sunglasses.

21) Exhibit 8 contains examples of the use of NEXT on shop signage and labels.

22) Ms Noble states that NRL has used the trade mark NXT on —a wide range of goods in classes 3, 18 and 25”. At exhibit 9 are copies of pages from mail order catalogues of NRL.

Autumn/winter 2003

Page 201 – a child’s sweater bearing the letters NXT on the front, each letter being in a circle.

Page 202 – a child’s top bearing the letters NXT on the front over a picture.

Page 203 – a child’s denim cap bearing the letters NXT on the front as if stamped.

Page 204 – a pair of child’s socks bearing the stylised letters NXT on the side.

Page 205 – tops for children bearing the letters NXT on the front as if stamped.

Page 206 – one of the tops from page 205 can be partially seen.

Spring/summer 2004

Page 208 – use of NXT cannot be seen.

Page 209 – a child’s swimsuit on which the stylised letters NXT appear in a partial lozenge.

Page 210 – a child’s printed top on which the letters nxt appear over a picture of petals.

Autumn/winter 2004

Page 212 – a child’s t-shirt with stylised NXT on the front.

Spring/summer 2005

Page 215 – the top for women’s pyjamas on the front of which NXT over the numeral 82 appear.

Page 216 – t-shirt and joggers for children upon which NXT SPORT appears.

Page 217 – a child’s sweater on the front of which the letters NXT in separate boxes appear.

Spring/summer 2006

Page 220 – two bathing costumes for women upon the front of which, in small type, the letters NXT appear within an oval.

Spring/summer 2007 (identified by handwritten annotation to page)

Page 221 – two baseball caps for children upon the fronts of which the letters NXT appear.

Spring/summer 2011

Although these pages are included in the section identified as Next Directory 37 for September 2006 they are prefaced by the cover for Next Directory 47 for spring/summer 2011. Ms Noble also refers to the exhibits showing use from 2003 to 2011. These pages emanate from after the end of the proof of use period and after the date of the application for registration.

Page 223 – child's overhead hooded top upon which N-XT ATH 9TH DIVISION appears.

Page 224 – a child's top upon which N-XT H QUAY appears. The top is described as being Next branded.

Pages 225 and 226 – garments for children – shorts which bear NXT 25 on the leg; overhead hooded which bears NXT 25 on the hood; joggers which bear NXT 25 upon the leg.

Witness statement of Shaun Nicholas Sherlock

23) Mr Sherlock is an employee of Marks & Clerk LLP, trade mark and patent attorneys.

24) Mr Sherlock's evidence relates primarily to a monogram as shown below:



This sign is not the subject of the pleadings. As it has not been the subject of the pleadings, and owing to its extreme stylisation, it is not pertinent to these proceedings.

Finding of facts

Proof of genuine use for the period 17 July 2005 and 16 July 2010

25) Section 100 of the Act states:

—10. 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.”

Consequent upon section 100, the onus is upon NRL to prove that it has made genuine use of the trade marks within the material period.

26) The Court of Justice of the European Union (CJEU) in *Ajax Brandbeveiliging BV v Ansul BV* Case C-40/01 stated:

—36—“Genuine use” must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the product or service from others which have another origin.

37. It follows that genuine use of the mark entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned. The protection the mark confers and the consequences of registering it in terms of enforceability vis-à-vis third parties cannot continue to operate if the mark loses its commercial *raison d'être*, which is to create or preserve an outlet for the goods or services that bear the sign of which it is composed, as distinct from the goods or services of other undertakings. Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns. Such use may be either by the trade mark proprietor or, as envisaged in Article 10(3) of the Directive, by a third party with authority to use the mark.

38. Finally, when assessing whether there has been genuine use of the trade mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the mark is

real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark.

39. Assessing the circumstances of the case may thus include giving consideration, *inter alia*, to the nature of the goods or service at issue, the characteristics of the market concerned and the scale and frequency of use of the mark. Use of the mark need not, therefore, always be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market.”

27) Three of the trade marks upon which NRL relies are Community registrations. The decision of The Fourth Board of Appeal of the Office for Harmonization in the Internal Market in *ILG Ltd v Crunch Fitness International Inc* [2008] ETMR 17 is noted:

—11The relevant period is October 1998 to October 2003. Use in one country of the Community, such as Italy, is sufficient (Joint Statements by the Council and the Commission entered in the Minutes of the Council meeting at which the CTMR was adopted, No.B.10, OH OHIM 1996, 607, 613), provided that is it [*sic.*] genuine.”

If use is established, it will be necessary to decide if in the context of the European Union, as it was constituted during the material period, if such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods or services protected by the mark. (The scale of use may be such that it would be warranted in one jurisdiction but not in the European Union as a whole. This position is in conformity with article 112 of Council Regulation (EC) No 207/2009ⁱⁱ.)

28) In *Budejovicky Budvar Narodni Podnik v Anheuser-Busch Inc* [2003] RPC 25 the Court of Appeal dealt with issues relating to use of a trade mark in a form which does not alter the distinctive character of the mark in the form in which it was registered. Lord Walker stated:

—43 have no wish to be overcritical of the way in which the deputy judge expressed himself, especially since I think he was a little overcritical of the way in which the hearing officer had expressed himself. But I am inclined to think that the deputy judge made the issue rather more complicated than it is. The first part of the necessary inquiry is, what are the points of difference between the mark as used and the mark as registered? Once those differences have been identified, the second part of the inquiry is, do they alter the distinctive character of the mark as registered?

44 The distinctive character of a trade mark (what makes it in some degree striking and memorable) is not likely to be analysed by the average consumer, but is nevertheless capable of analysis. The same is true of any striking and memorable line of poetry:

"Bare ruin'd choirs, where late the sweet birds sang"

is effective whether or not the reader is familiar with Empson's commentary pointing out its rich associations (including early music, vaultlike trees in winter, and the dissolution of the monasteries).

45 Because distinctive character is seldom analysed by the average consumer but is capable of analysis, I do not think that the issue of "whose eyes?-- registrar or ordinary consumer?" is a direct conflict. It is for the registrar, through the hearing officer's specialised experience and judgment, to analyse the "visual, aural and conceptual" qualities of a mark and make a "global appreciation" of its likely impact on the average consumer, who "normally perceives a mark as a whole and does not proceed to analyse its various details."

In *Boura v Nirvana Spa & Leisure Ltd* BL O/262/06 Mr Richard Arnold QC, sitting as the appointed person, stated:

—15It is clear from BUD and BUDWEISER BUDBRÄU and the four Court of First Instance cases that the normal approach to the assessment of distinctive character applies in this context. As the European Court of Justice has reiterated in numerous cases, the distinctive character of a trade mark must be assessed (i) in relation to the goods or services in question and (ii) according to the perception of the average consumer of those goods or services, who is deemed to be reasonably well-informed and reasonably observant and circumspect."

He went on to state:

—34The second question is whether that sign differs from the registered trade mark in elements which do not alter the latter's distinctive character. As can be seen from the discussion above, this second question breaks down in the sub-questions, (a) what is the distinctive character of the registered trade mark, (b) what are the differences between the mark used and the registered trade mark and (c) do the differences identified in (b) alter the distinctive character identified in (a)? An affirmative answer to the second question does not depend upon the average consumer not registering the differences at all."

In *Atlas Transport GmbH v Harmonisierungsamt für den Binnenmarkt (Marken, Muster und Modelle)* (HABM) the General Court (GC) held:

—42 Aus alledem ergibt sich, dass die zusätzlichen Elemente der Briefköpfe der von der Klägerin vorgelegten Rechnungen nicht als ein untrennbar mit dem Element „Atlas Transport—verbundenes Ganzes angesehen werden können, dass sie eine untergeordnete Stellung im Gesamteindruck einnehmen, den die streitige Marke so, wie sie in den Briefköpfen benutzt wurde, hervorruft, und dass die meisten von ihnen eine schwache Unterscheidungskraft haben. Folglich ist entgegen den Ausführungen der Beschwerdekammer in der angefochtenen Entscheidung die Unterscheidungskraft der eingetragenen Marke bei ihrer Benutzung auf den zu den Akten gereichten Rechnungen nicht im Sinne von Art. 15 Abs. 2 Buchst. a der Verordnung Nr. 40/94 beeinflusst worden.”

In Fruit of the Loom, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-514/10 the GC stated:

—28 It must be observed that Article 15(1)(a) of Regulation No 207/2009 relates to a situation where a national or Community registered trade mark is used in trade in a form slightly different from the form in which registration was effected. The purpose of that provision, which avoids imposing strict conformity between the form of the trade mark used and the form in which the mark was registered, is to allow its proprietor in the commercial exploitation of the sign to make variations which, without altering its distinctive character, enable it to be better adapted to the marketing and promotion requirements of the goods or services concerned. In accordance with its purpose, the material scope of that provision must be regarded as limited to situations in which the sign actually used by the proprietor of a trade mark to identify the goods or services in respect of which the mark was registered, constitutes the form in which that same mark is commercially exploited. In such situations, where the sign used in trade differs from the form in which it was registered only in insignificant respects, and the two signs can therefore be regarded as broadly equivalent, the abovementioned provision envisages that the obligation to use the trade mark which was registered may be fulfilled by furnishing proof of use of the sign which constitutes the form in which it is used in trade. However, Article 15(1)(a) does not allow the proprietor of a registered trade mark to avoid his obligation to use that mark by relying on his use of a similar mark covered by a separate registration (*Case T-194/03 Il Ponte Finanziaria v OHIM – Marine Enterprise Projects (BAINBRIDGE)* [2006] ECR II-445, paragraph 50).

29 Thus, a finding of an alteration of the distinctive character of the mark as registered requires an assessment of the distinctive and dominant character of the added elements, carried out on the basis of the intrinsic qualities of each of those elements, as well as of the relative position of

the different elements within the arrangement of the trade mark (see judgment of 10 June 2010 in Case T-482/08 *Atlas Transport v OHIM – Hartmann (ATLAS TRANSPORT)*, not published in the ECR, paragraph 31 and the case-law cited).”

Genuine use in relation to NXT

29) There is no evidence of use of NXT in relation to goods in classes 14 and 18. The material period for proof of use is 17 July 2005 and 16 July 2010. The first three extracts from catalogues in relation to NXT emanate from prior to this period. Mr Rawlence submitted that catalogues are issued a long time prior to the period which appears upon them; consequently, it is not possible to know if the catalogue for spring/summer 2005 was current as of 17 July 2005. Clothes are purchased very often for the season that is coming rather than the current season; so spring/summer clothes may be bought well before summer and catalogues may reflect this. It is possible that on 17 July 2005 the current catalogue was for the autumn/winter season. It would have been simple enough for Ms Noble to state when the catalogues were issued. In the absence of any identification as to the currency of this catalogue, the goods shown within the spring/summer 2005 cannot be taken into account in deciding in relation to which goods the trade mark NXT had been used in the material period. Pages 222 to 226 emanate from after the end of the material period and so cannot be taken into account in deciding in relation to which goods the trade mark NXT had been used in the material period. This leaves the evidence of use in the material period resting upon the extracts from the catalogues for spring/summer 2006 and spring/summer 2007; pages 220 and 221. (This is not to discount the extracts from the catalogues outside of the material period completely. They cannot be used to decide in relation to which goods the trade mark has been used, however, they can, by showing a continuum of use, assist in establishing the genuineness of the use of the trade mark.)

30) In the spring/summer 2006 catalogue there are pictures of two bathing costumes for women upon the front of which, in small type, the letters NXT appear within an oval. (The catalogue describes the costumes as sportsuites.) In the description of the goods there is no reference to NXT. The potential customer would need to use a magnifying glass to make out the letters NXT. It is reasonable to believe that on the products themselves, which will be larger, the letters will be of a greater size. The extract from the spring/summer 2007 catalogue shows two baseball caps for children upon the fronts of which the letters NXT have been embroidered. It is common for trade marks to appear on the outside of the clothing. NXT has no meaning and so there is no reason that the public would see it, appearing in the manner that it does, as anything other than a brand of clothing. There is other matter in proximity to NXT but the letters NXT are clear and dominant. The letters NXT do not form an indissoluble whole with the other elements shown and will be seen by the average consumer as a separate entity (as per *Atlas Transport GmbH g Harmonisierungsamt für den*

Binnenmarkt (Marken, Muster und Modelle) (HABM)). In relation to the swimming costumes for women and the baseball hats for children the uses of NXT are in forms differing in elements which do not alter the distinctive character of the mark in the form in which it was registered.

31) In considering the use it must be born in mind that in 2000 the mail order catalogue gained its one millionth active customer and by 2007 there were over 2 million active customers. (There is no automatic correlation between what appears in the catalogue and the products in the shops. The limitations of retail premises mean that a catalogue can contain many more items and lines than a shop.)

32) As the United Kingdom registration encompasses the same goods in class 25 as the Community registration, it is only necessary to consider the position in relation to genuine use in the United Kingdom.

33) The evidence of use of the trade mark is limited to bathing costumes for women on one page in one catalogue and baseball caps for children on one page in one catalogue. There is no evidence in relation to sales of these items. Taking into account the number of catalogues distributed by NRL, the appearance in them of the two sets of goods is considered warranted in creating or maintaining a market for the goods which is warranted in the clothing market.

34) It is necessary to decide upon a fair description for the goods for which genuine use has been shown and which fall within the parameters of the specification. The description must not be over *pernickety*ⁱⁱⁱ. It is necessary to consider how the relevant public would describe the goods^{iv}. The GC in *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-126/03* held:

44 With that in mind, it is necessary to interpret the last sentence of Article 43(2) of Regulation No 40/94 and Article 43(3), which applies Article 43(2) to earlier national marks, as seeking to prevent a trade mark which has been used in relation to part of the goods or services for which it is registered being afforded extensive protection merely because it has been registered for a wide range of goods or services. Thus, when those provisions are applied, it is necessary to take account of the breadth of the categories of goods or services for which the earlier mark was registered, in particular the extent to which the categories concerned are described in general terms for registration purposes, and to do this in the light of the goods or services in respect of which genuine use has, of necessity, actually been established.

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 relating to which the goods or services for which the trade mark has actually been used actually 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.

46 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.

In *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited* BL O/345/10 Mr Geoffrey Hobbs QC, sitting as the appointed person, stated:

—However, that does not appear to me to alter the basic nature of the required approach. As to that, I adhere to the view that I have expressed in a number of previous decisions. In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned.”

35) Clothing, footwear and headgear cover a large variety of items. The goods in relation to which use has been shown are extremely limited; only two types of products. Clothing is often defined by factors such as age and gender. Swimming costumes are a clear category of clothing. Baseball caps are a clear sub-category of headgear. A fair specification for United Kingdom registration no 2101187 is:

bathing costumes for women; baseball hats for children.

Genuine use in relation to NEXT trade marks

36) Mr Rawlence made no particular submissions in relation to the proof of genuine use of NEXT. Taking into account the limitations of the evidence in relation to use in relation to specific goods and the breadth of the specification of United Kingdom registration no 2453621, which is not subject to proof of use, it is not necessary to consider the issue of proof of use in relation to the NEXT trade marks which require proof of use.

Reputation for section 5(3) of the Act

37) NRL must establish that its trade marks were known by a significant part of the public concerned by the products or services covered^y. The CJEU in *General Motors Corporation v Yplon SA* stated how a party would establish this reputation:

—27In 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.”

38) The evidence in relation to use of NXT does not establish the requisite reputation for the purposes of section 5(3) of the Act.

39) NRL has a large turnover and is a well-known retailer. Ms Noble gives an approximate breakdown of sales: women’s wear – 46.5%; men’s wear – 24%; children’s wear – 18.5%; other goods, including household goods – 11%. There is no explanation as to what —~~other~~ goods” covers. The turnover and promotion figures plus the infiltration of NRL on the high street and in the home, through its catalogue, leave no doubt that in relation to clothing, footwear and headgear and in the retail of these goods, NRL has the requisite reputation for section 5(3) of the Act. In its statement of grounds it makes claims to such a reputation in respect, inter alia, of all of the goods and services of registration no 2453621. A claim that includes *scientific, nautical, surveying, signalling, checking (supervision), life-saving apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; precious metals and their alloys; printers' type; printing blocks; animal skins; whips, harness and saddlery*. There is nothing to suggest that there is any justification in such a claim. The claim lacks specificity. Where there is evidence of use, such as bags for women; personal care and perfumery products for women; perfumery for men and furniture, there is a lack of specificity as to longevity of use and scale of use. However, exhibit 3 shows all but the last type of goods being presented to the public in the catalogues in spring/summer 2006,

spring/summer 2007, autumn/winter 2008 and spring/summer 2009. The catalogues have a large penetration. The nature of catalogues is such that they are perused on a number of occasions and usually by a number of people in each household. Taking these factors into account, the parameters of the specification of registration no 2453621 and the products in relation to which use has been shown, NRL has the requisite reputation in relation to section 5(3) in relation to bags for women, perfumery, cleaning preparations and the retail services in relation to them. (In the context of this case, if NRL does not succeed in relation to these products, and the clothing, footwear and headgear, it would not succeed on the basis of goods such as furniture.)

Goodwill

40) A similar provision to section 5(4)(a) of the Act is to be found in Article 8(4) of Council Regulation 40/94 of December 20, 1993. This was the subject of consideration 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, in which the GC 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.”

The reasoning of the GC, *mutatis mutandis*, is followed in relation to the Act. NRL must establish that at the date of application for the trade mark, 18 March 2010, it has protectable goodwill. There is no indication of any use of Boi's trade mark; consequently, it is not necessary to consider any other date eg an earlier date for the date of the behaviour complained of.

41) As of 18 March 2010 NRL had goodwill in relation to a business. It is necessary to decide to which sign(s) and to which goods and/or services its goodwill related.

NXT

42) The proof of genuine use covers a specified period in time. The use of the sign NXT, in relation to the law of passing-off, must be considered in its entirety.

Reputation does not immediately evaporate with the cessation of use in relation to a sign or particular goods or services in relation to a sign^{vi}. The sign has been used in relation to a variety of outer-clothing and caps for children over a continuous period of time. The use in relation to clothing for women is limited to two examples. In *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J stated:

—“Those observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

The two examples in relation to clothing for women emanate from spring/summer 2005 and spring/summer 2006, the material date is 18 March 2010. Reputation may not evaporate over time; equally, it may with the passing of time. The examples of use for clothing for women are sparse and years prior to the material date. The use for bathing costumes for women is sufficient to establish genuine use in the material period, however, the evidence of use does not establish that the goodwill of NRL is associated with the sign NXT in relation to clothing for women at the material date; it is too weak, too sparse, and lacking in any detail that can overcome the weakness and sparseness. The goodwill by reference to the sign NXT relates to outer-clothing and caps for children.

43) The goodwill in relation to NXT relates solely to the goods; there is no hint that it has been used for retail services. It is a goodwill that exists solely within the confines of NEXT's retailing services; on the basis of the evidence it cannot be considered to go beyond mail order sales.

NEXT

44) It is necessary to decide on the parameters of the goodwill related to the use of the sign NEXT. Taking into account the limitations of the evidence filed and the goods for which registration of the application is sought; the key areas are in the claims in relation to goods and services in classes 3, 18, 25 and 35. There is a goodwill associated with the sign NEXT for clothing, footwear and headgear. The claim in relation to goods in class 18 goes well beyond what has been established in the evidence, which only supports goodwill in relation to bags for women. In relation to class 3 the goodwill has been established in relation to perfumes, soaps and non-medicated toilet preparations. There is also goodwill in relation to the retail services for these products. The goodwill in relation to the

goods is restricted to sales within NRL's retail activities; ie there is no evidence that goods bearing the sign NEXT are sold by anyone other than NRL.

Reputation for the purposes of section 5(2)(b) of the Act

45) The reputation that has been established in relation to registration no 2453621 for the purposes of section 5(3) of the Act will apply in relation to section 5(2)(b) of the Act.

Likelihood of confusion – section 5(2)(b) of the Act

Average consumer and the purchasing process

46) *Leather and imitations of leather, animal skins and hides* are products that will be bought by manufacturers of finished products. It can be expected that they will be bought with a good deal of care and knowledge by specialists in the trades in which they are used. The goods are likely to be bought after a careful perusal of literature, whether physical or electronic. Owing to the nature of the goods and the purchasing process, the effects of imperfect recollection will be limited.

47) The other goods of the application will be bought by the public at large. 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 GC stated:

—49However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important. If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.”

The goods are liable to be bought by the eye, whether in a store, through a catalogue or online. Consequently, visual similarity will have greater weight than aural similarity.

48) In *New Look Ltd v Office for the Harmonization in the Internal Market (Trade Marks and Designs)* the GC also stated:

—43t 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

This position is adopted in relation to the class 25 goods. There is nothing in the class 18 goods of the application, other than those identified in paragraph 46, which militates for a careful and educated purchasing decision. The nature of the purchasing decision will be more dependent upon the cost of the product rather than the nature of the product. The same applies to *toiletries; cosmetics; soaps; shampoos; dentifrices and hair lotions. Aftershave; perfume and essential oils* are generally bought after comparing and contrasting several products. Consequently, with the exception of *aftershave; perfume and essential oils*, the effects of imperfect recollection will be increased. In relation to *aftershave; perfume and essential oils* the effects of imperfect recollection are likely to be limited.

NXT

49) The trade marks to be compared are:



50) The average consumer normally perceives a mark as a whole and does not proceed to analyse its various details^{vii}. The visual, aural and conceptual similarities of the marks must, therefore, be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components^{viii}. Consequently, there cannot be an artificial dissection of the trade marks, although it is necessary to take into account any distinctive and dominant components. The average consumer rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he/she has kept in his/her mind and he/she is deemed to be reasonably well informed and reasonably circumspect and observant^{ix}. The assessment of the similarity of the trade marks must be made by reference to the perception of the relevant public^x.

51) There is no single dominant and distinctive component in the trade mark of NRL. In the trade mark of Boi the eye first falls upon the letter components in large print. As the western brain reads from left to right NXT is the first component that is recorded by the brain. The most dominant and distinctive components of the trade mark of Boi are the components in large type. Owing to its position NXT is the most dominant of these components of the trade mark. Mr Rawlence submitted that the forward slashes of the trade mark would be ignored by the average consumer and the upper component would be seen as a whole. There is no reason that the average consumer would ignore the two bold forward slashes. They clearly divide NXT and GEN and the eye and brain will recognise this. There is a clear relationship between this component of the trade mark and NEXT GENERATION (see by analogy the judgment of the CJEU in *Alfred Strigl v Deutsches Patent- und Markenamt and Securvita Gesellschaft zur Entwicklung alternativer Versicherungskonzepte mbH v Öko-Invest Verlagsgesellschaft mbH* Joined Cases C-90/11 and C-91/11^{xi}). However, the visual impression is still of two separate components and the NXT has an independent rôle in the trade mark. Mr Sherlock submitted that CROSSHATCH lacked distinctive as it is a commonly known term in relation to heraldic shading. The average consumer is not au fait with terms related to heraldic shading. In relation to the goods of the application, CROSSHATCH will have no meaning for the average consumer and will be a distinctive component; if not, owing to its size and position a dominant component. Mr Sherlock also submitted that the device components of the trade mark had little distinctive character. It cannot be seen how these components, especially in their combination, are not distinctive components; if not the dominant component(s). NEXT GENERATION is not clearly allusive of the goods, although it might be seen by some as referring to a new range of goods or goods for a new generation. NEXT GENERATION is a distinctive component of the trade mark; although, owing to its size and position, not a dominant component.

52) In the context of Boi's trade mark as a whole, NXT may be seen as an abbreviation or text speak for next (again, by analogy with *Alfred Strigl v Deutsches Patent- und Markenamt and Securvita Gesellschaft zur Entwicklung alternativer Versicherungskonzepte mbH v Öko-Invest Verlagsgesellschaft mbH*). If this is the case, it will have a conceptual association which NRL's NXT trade mark, being without other matter, does not have and so the sole common element of the respective trade marks would be conceptually different. NXT in the respective trade marks is visually and phonetically identical. Owing to the prominence of NXT in the trade mark of Boi, and taking into account all the other alien elements in the trade mark, there is a low degree of visual and aural similarity. It may be that for some consumers, there will be conceptual dissimilarity in relation to the NXT component, as NXT in Boi's trade mark could be seen as referring to the word next. Overall, there is low degree of similarity between the respective trade marks.

Comparison of goods

53) In —~~con~~struing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade^{xiii}. Words should be given their natural meaning within the context in which they are used, they cannot be given an unnaturally narrow meaning^{xiii}. Consideration should be given as to how the average consumer would view the goods and/or services^{xiv}. The class of the goods and/or services in which they are placed may be relevant in determining the nature of the goods and/or services^{xv}. In assessing the similarity of goods and/or services it is necessary to take into account, inter alia, their nature, their intended purpose, their method of use and whether they are in competition with each other or are complementary^{xvi}. In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, Jacob J also gave guidance as to how similarity should be assessed^{xvii}.

54) In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T- 325/06 the GC explained when goods are complementary:

—82t is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 *Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI)* [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 *P Rossi v OHIM* [2006] ECR I-7057; Case T-364/05 *Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL)* [2007] ECR II-757, paragraph 94; and Case T-443/05 *El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños)* [2007] ECR I-0000, paragraph 48).”

55) The goods in relation to which NRL has proved use are: *bathing costumes for women; baseball hats for children*. Within the parameters of the case law there are no points of coincidence between the aforesaid goods and the class 3 and 18 goods of the application. Goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application^{xviii}. The aforesaid goods will fall within the categories of *clothing* and *headgear* and so the respective goods must be considered to be identical. *Footwear* is worn, as are the goods of the earlier registration. The respective goods are not fungible, they are not in competition. There is no close relationship between them, they are not complementary. Although they may be found in the same shops, with bricks or click shops, they will be in different areas. They will not be of the same material and will have a different nature. In clothing the person, the respective goods are used for different purposes ie clothing the head, the feet and the body. Overall, *footwear* of the application has a very low degree of similarity with *bathing costumes for women; baseball hats for children*.

Conclusion

56) In considering whether there is a likelihood of confusion various factors have to be taken into account. There is the interdependency principle – a lesser degree of similarity between trade marks may be offset by a greater degree of similarity between goods, and vice versa^{xxix}. The respective goods are considered to be identical with the exception of footwear, which has a very low degree of similarity with the goods of the earlier registration. However, it is not an automatic sequitur that because goods are identical that the trade marks have to be very different to avoid a finding of likelihood of confusion^{xx}. There is a low degree of similarity between the trade marks. It is necessary to consider the distinctive character of the earlier trade mark; the more distinctive the earlier trade mark the greater the likelihood of confusion^{xxi}. The distinctive character of a trade mark can be appraised only, first, by reference to the services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public^{xxii}. In determining the distinctive character of a 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 mark to identify the services for which it has been registered as coming from a particular undertaking, and thus to distinguish those services from those of other undertakings^{xxiii}. NXT is not allusive of the goods in relation to which use has been established. It consists of three letters which, outwith any specific context, have no meaning. The evidence does not establish any increased distinctiveness through use. The earlier trade mark has a good degree of inherent distinctiveness.

57) The respective goods are not necessarily the subject of a careful purchasing decision and so the effects of imperfect recollection are increased. It is to be borne in mind that visual similarity has greater importance than aural similarity and that there are clear, and many, visual differences between the respective trade marks.

58) In *Aceites del Sur-Coosur SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case C-498/07 P CJEU* considered the approach to be taken in relation to composite trade marks:

—61 In particular, the Court has held that in the context of examination of the likelihood of confusion, assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark. On the contrary, the comparison must be made by examining each of the marks in question as a whole (see order in *Matratzen Concord v OHIM*, paragraph 32; *Medion*, paragraph 29; and *OHIM v Shaker*, paragraph 41).

62 In that regard, the Court has also held that, according to established case-law, the overall impression created in the mind of the relevant public

by a complex trade mark may, in certain circumstances, be dominated by one or more of its components. However, it is only if all the other components of the mark are negligible that the assessment of the similarity can be carried out solely on the basis of the dominant element (*OHIM v Shaker*, paragraphs 41 and 42, and Case C-193/06 P *Nestlé v OHIM* [2007] ECR I-114, paragraphs 42 and 43 and the case-law cited).”

In *Medion AG v Thomson multimedia Sales Germany & Austria GmbH* Case C-120/04 the CJEU stated:

—30 However, beyond the usual case where the average consumer perceives a mark as a whole, and notwithstanding that the overall impression may be dominated by one or more components of a composite mark, it is quite possible that in a particular case an earlier mark used by a third party in a composite sign including the name of the company of the third party still has an independent distinctive role in the composite sign, without necessarily constituting the dominant element.

31 In such a case the overall impression produced by the composite sign may lead the public to believe that the goods or services at issue derive, at the very least, from companies which are linked economically, in which case the likelihood of confusion must be held to be established.

32 The finding that there is a likelihood of confusion should not be subject to the condition that the overall impression produced by the composite sign be dominated by the part of it which is represented by the earlier mark.

33 If such a condition were imposed, the owner of the earlier mark would be deprived of the exclusive right conferred by Article 5(1) of the directive even where the mark retained an independent distinctive role in the composite sign but that role was not dominant.”

59) Although NXT is the most dominant component of the trade mark of Boi, it does not dominate the trade mark to the extent that the other components will have a limited effect upon the perception of the average consumer. **Taking into account all of the relevant factors there is a likelihood of confusion in relation to *clothing and headgear* ie where the goods are considered to be identical. There is not a likelihood of confusion in relation to *footwear*.**



60) It is only necessary to consider the upper mark of the series. The analysis of Boi's trade mark made in relation to the NXT comparison equally apply here. The dominant and distinctive component of the trade mark is the word NEXT which is in an ordinary font. The black background is necessary as the letters are in white. The average consumer will perceive a NEXT trade mark. The only directly common element with the trade mark of Boi is the word NEXT. In Boi's trade mark NEXT has an adjectival function in relation to GENERATION. NEXT GENERATION might be perceived as referring to a generation of persons that is coming next, or a new range of clothing. NXT//GEN will be perceived as referring to NEXT GENERATION, as an abbreviation or text speak (see again by analogy *Alfred Strigl v Deutsches Patent- und Markenamt and Securvita Gesellschaft zur Entwicklung alternativer Versicherungskonzepte mbH v Öko-Invest Verlagsgesellschaft mbH*). Consequently, there will be a conceptual link between NXT and NEXT. There are large visual and phonetic differences. However, taking into account the presence of NEXT in Boi's trade mark and the relationship that will be perceived between NXT and NEXT, there is a very low degree of visual similarity, a very low degree of aural similarity and a greater, but still small, degree of conceptual similarity. Overall there is a low degree of similarity between the trade marks.

61) The GC held this in *Ravensburger AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-243/08*:

—27t is appropriate at the outset to reject that complaint as unfounded. The reputation of an earlier mark or its particular distinctive character must be taken into consideration for the purposes of assessing the likelihood of confusion, and not for the purposes of assessing the similarity of the marks in question, which is an assessment made prior to that of the likelihood of confusion (see, to that effect, judgment of 27 November 2007 in Case T-434/05 *Gateway v OHIM – Fujitsu Siemens Computers (ACTIVY Media Gateway)*, not published in the ECR, paragraphs 50 and 51).”

A finding that can also be found in *Accenture Global Services GmbH v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-244/09, Lan Airlines, SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-194/09 and Ferrero SpA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-*

140/08. Consequently, the reputation of NEXT cannot be taken into account for the purposes of assessing the similarity of the respective trade marks.

Comparison of goods

62) The goods of the application are either subsumed within the class 3, 18 and 25 goods of the earlier registration or are co-extensive (see BL O/269/04) and so either are identical or must be considered to be identical.

Conclusion

63) The matters to be considered in the global appreciation have been rehearsed in relation to the NXT trade mark of NRL. The respective goods are identical but this identity does not mean that the trade marks have to be very different to avoid a finding of likelihood of confusion. There is a low degree of similarity between the trade marks and substantial differences between them. In relation to class 25 goods, bags for women, perfumery and cleaning preparations, NRL has a substantial reputation.

64) In *NHL Enterprises BV v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-414/05 the GC held:

—72With regard, second, to the disputed assessment of the Board of Appeal that the marks at issue could designate various lines of clothing, it must be recalled that, according to settled case-law, it is common in the clothing sector for the same mark to be configured in various ways according to the type of product which it designates. It is also common for a single clothing manufacturer to use sub-brands (signs that derive from a principal mark and which share with it a common dominant element) in order to distinguish various lines of production (*Fifties*, cited at paragraph 53 above, paragraph 49; T-129/01 *Alejandro v OHIM – Anheuser-Busch (BUDMEN)* [2003] ECR II-2251, paragraph 57; *NLSPORT, NLJEANS, NLACTIVE and NLCollection*, cited at paragraph 61 above, paragraph 51; and judgment of 14 December 2006 in Case T-392/04 *Gagliardi v OHIM – Norma Lebensmittelfilialbetrieb (MANŪ MANU MANU)*, not published in the ECR, paragraph 122). In such circumstances, it is conceivable that the relevant public may regard the goods designated by the opposing marks as belonging to two distinct ranges of products but as coming, none the less, from the same manufacturer (see *Fifties*, cited at paragraph 53 above, paragraph 49; Case T-346/04 *Sadas v OHIM – LTJ Diffusion (ARTHUR ET FELICIE)*, paragraph 68; and Case T-133/05 *Merici v OHIM – Arbora & Ausonia (PAM-PIM'S BABY-PROP)* [2006] ECR II-2737, paragraph 76).”

(The same finding appears in *Leder & Schuh AG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-32/03 and *Zero*

Industry Srl v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-400/06.) It is also common for perfumery to have variations of a house mark and to include sub-brands.

65) The differences in the trade marks are such that there is not likely to be direct confusion. However, it is necessary to consider —the risk that the public might believe that the goods or services in question come from the same undertaking or, as the case may be, from economically-linked undertakings^{xxiv}. Mr Iain Purvis QC, sitting as the appointed person, in BL O/375/10 stated

—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”, –MNI” 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 –BRAVE FACE” for example).”

In relation to the goods for which NRL has established a reputation and closely associated goods, the trade mark is so strikingly distinctive through use that the average consumer is likely to believe that such goods emanate from the same undertaking or economically linked undertakings. This position is strengthened

by the tradition of use of sub-brands and variations of trade marks in relation to some of the goods.

66) There is a likelihood of confusion in relation to the following goods of the application:

toiletries; aftershave; perfume; cosmetics; essential oils; soaps; shampoos; hair lotions;

goods made of leather and imitations of leather and not included in other classes; wallets; handbags; rucksacks; bags; trunks and travelling bags; umbrellas, parasols;

clothing, footwear, headgear.

Section 5(3) of the Act

67) Only registration no 2453621 will be considered in relation to this ground of opposition. NRL has established the requisite reputation in respect of: clothing, footwear and headgear; bags for women, perfumery, cleaning preparations and the retail services in relation to them. It has been decided that the respective trade marks have a low degree of similarity. So NRL has achieved these two steps in the cumulative process^{xxv}.

68) In *Intel Corporation Inc v CPM United Kingdom Ltd* Case C-252/07, the CJEU considered Article 4(4)(a) of Directive 2008/95/EC of the European Parliament and the Council of 22 October 2008 (the Directive):

—~~26~~Article 4(4)(a) of the Directive establishes, for the benefit of trade marks with a reputation, a wider form of protection than that provided for in Article 4(1). The specific condition of that protection consists of a use of the later mark without due cause which takes or would take unfair advantage of, or is or would be detrimental to, the distinctive character or the repute of the earlier mark (see, to that effect, in respect of Article 5(2) of the Directive, *Marca Mode*, paragraph 36; *Adidas-Salomon and Adidas Benelux*, paragraph 27, and Case C-102/07 *adidas and adidas Benelux* [2008] ECR I-0000, paragraph 40).

27 The types of injury against which Article 4(4)(a) of the Directive ensures such protection for the benefit of trade marks with a reputation are, first, detriment to the distinctive character of the earlier mark, secondly, detriment to the repute of that mark and, thirdly, unfair advantage taken of the distinctive character or the repute of that mark.

28 Just one of those three types of injury suffices for that provision to apply.

29 As regards, in particular, detriment to the distinctive character of the earlier mark, also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’, such detriment is caused when that mark’s ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so.

30 The types of injury referred to in Article 4(4)(a) of the Directive, where they occur, are the consequence of a certain degree of similarity between the earlier and later marks, by virtue of which the relevant section of the public makes a connection between those two marks, that is to say, establishes a link between them even though it does not confuse them (see, in relation to Article 5(2) of the Directive, *General Motors*, paragraph 23; *Adidas-Salomon and Adidas Benelux*, paragraph 29, and *adidas and adidas Benelux*, paragraph 41).

31 In the absence of such a link in the mind of the public, the use of the later mark is not likely to take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier mark.

32 However, the existence of such a link is not sufficient, in itself, to establish that there is one of the types of injury referred to in Article 4(4)(a) of the Directive, which constitute, as was stated in paragraph 26 of this judgment, the specific condition of the protection of trade marks with a reputation laid down by that provision.....

37 In order to benefit from the protection introduced by Article 4(4)(a) of the Directive, the proprietor of the earlier mark must adduce proof that the use of the later mark ‘would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark’.

38 The proprietor of the earlier trade mark is not required, for that purpose, to demonstrate actual and present injury to its mark for the purposes of Article 4(4)(a) of the Directive. When it is foreseeable that such injury will ensue from the use which the proprietor of the later mark may be led to make of its mark, the proprietor of the earlier mark cannot be required to wait for it actually to occur in order to be able to prohibit that use. The proprietor of the earlier mark must, however, prove that there is a serious risk that such an injury will occur in the future.

44 As regards the degree of similarity between the conflicting marks, the more similar they are, the more likely it is that the later mark will bring the

earlier mark with a reputation to the mind of the relevant public. That is particularly the case where those marks are identical.

45 However, the fact that the conflicting marks are identical, and even more so if they are merely similar, is not sufficient for it to be concluded that there is a link between those marks.

46 It is possible that the conflicting marks are registered for goods or services in respect of which the relevant sections of the public do not overlap.

47 The reputation of a trade mark must be assessed in relation to the relevant section of the public as regards the goods or services for which that mark was registered. That may be either the public at large or a more specialised public (see *General Motors*, paragraph 24).

48 It is therefore conceivable that the relevant section of the public as regards the goods or services for which the earlier mark was registered is completely distinct from the relevant section of the public as regards the goods or services for which the later mark was registered and that the earlier mark, although it has a reputation, is not known to the public targeted by the later mark. In such a case, the public targeted by each of the two marks may never be confronted with the other mark, so that it will not establish any link between those marks.

49 Furthermore, even if the relevant section of the public as regards the goods or services for which the conflicting marks are registered is the same or overlaps to some extent, those goods or services may be so dissimilar that the later mark is unlikely to bring the earlier mark to the mind of the relevant public.

50 Accordingly, the nature of the goods or services for which the conflicting marks are registered must be taken into consideration for the purposes of assessing whether there is a link between those marks.

51 It must also be pointed out that certain marks may have acquired such a reputation that it goes beyond the relevant public as regards the goods or services for which those marks were registered.

52 In such a case, it is possible that the relevant section of the public as regards the goods or services for which the later mark is registered will make a connection between the conflicting marks, even though that public is wholly distinct from the relevant section of the public as regards goods or services for which the earlier mark was registered.

53 For the purposes of assessing where there is a link between the conflicting marks, it may therefore be necessary to take into account the strength of the earlier mark's reputation in order to determine whether that reputation extends beyond the public targeted by that mark.

54 Likewise, the stronger the distinctive character of the earlier mark, whether inherent or acquired through the use which has been made of it, the more likely it is that, confronted with a later identical or similar mark, the relevant public will call that earlier mark to mind.

55 Accordingly, for the purposes of assessing whether there is a link between the conflicting marks, the degree of the earlier mark's distinctive character must be taken into consideration.

56 In that regard, in so far as the ability of a trade mark to identify the goods or services for which it is registered and used as coming from the proprietor of that mark and, therefore, its distinctive character are all the stronger if that mark is unique – that is to say, as regards a word mark such as INTEL, if the word of which it consists has not been used by anyone for any goods or services other than by the proprietor of the mark for the goods and services it markets – it must be ascertained whether the earlier mark is unique or essentially unique.

57 Finally, a link between the conflicting marks is necessarily established when there is a likelihood of confusion, that is to say, when the relevant public believes or might believe that the goods or services marketed under the earlier mark and those marketed under the later mark come from the same undertaking or from economically-linked undertakings (see to that effect, inter alia, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17, and Case C-533/06 *O2 Holdings and O2 (UK)* [2008] ECR I-0000, paragraph 59).

58 However, as is apparent from paragraphs 27 to 31 of the judgment in *Adidas-Salomon and Adidas Benelux*, implementation of the protection introduced by Article 4(4)(a) of the Directive does not require the existence of a likelihood of confusion.

59 The national court asks, in particular, whether the circumstances set out in points (a) to (d) of Question 1 referred for a preliminary ruling are sufficient to establish a link between the conflicting marks.

60 As regards the circumstance referred to in point (d) of that question, the fact that, for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark would call the earlier mark to mind is tantamount to the existence of such a link.

61 As regards the circumstances referred to in paragraphs (a) to (c) of that question, as is apparent from paragraph 41 to 58 of this judgment, they do not necessarily imply the existence of a link between the conflicting marks, but they do not exclude one either. It is for the national court to base its analysis on all the facts of the case in the main proceedings.

62 The answer to point (i) of Question 1 and to Question 2 must therefore be that Article 4(4)(a) of the Directive must be interpreted as meaning that whether there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the earlier mark with a reputation and the later mark must be assessed globally, taking into account all factors relevant to the circumstances of the case.

63 The fact that for the average consumer, who is reasonably well informed and reasonably observant and circumspect, the later mark calls the earlier mark with a reputation to mind is tantamount to the existence of such a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks.

64 The fact that:

- the earlier mark has a huge reputation for certain specific types of goods or services, and
- those goods or services and the goods or services for which the later mark is registered are dissimilar or dissimilar to a substantial degree, and
- the earlier mark is unique in respect of any goods or services,

does not necessarily imply that there is a link, within the meaning of *Adidas-Salomon and Adidas Benelux*, between the conflicting marks.”

69) The earlier trade mark does have a huge reputation. In news reports, the results of NRL are often referred to, NRL being seen as a bellwether of the economy. In relation to the primary reputation for clothing, footwear and headgear; it is common for brand expansion to encompass the goods of the application; with the exception of *dentifrices, leather and imitations of leather, animal skins, hides and walking sticks*. There is no evidence to indicate that in relation to the goods for which NRL has a reputation, that its trade mark is not unique. NEXT is an ordinary word but Boi has put in no evidence to show its use by others. With the exception of *dentifrices, leather and imitations of leather, animal skins, hides and walking stick*;; the trade mark of Boi will call to mind the trade mark of NRL in relation to all of the goods of the application, with the exception of the goods italicised above, and so there is a link with all but those goods.

70) In *L'Oreal SA v Bellure NV* [2010] EWCA Civ 535 Jacob LJ stated:

—49 Turning to the substance of the point, the ECJ's reasoning runs thus:

- (a) art.5(2) applies to same mark/same goods case, see cases cited at [35];
- (b) If a “link” in the mind of the public is established between the sign complained of and the registered mark, then there may be art.5(2) type infringement;
- (c) For such infringement it is necessary to show one of the types of injury against which art.5(2) is directed, namely detriment to distinctive character, detriment to the repute of the mark or unfair advantage taken of the distinctive character or repute of the mark—see [36]–[38].
- (d) The court explains the first two types of injury a little more in [39]–[40]. It is not necessary to go into these here because of the factual findings of no blurring and no tarnishment. What matters is its explanation of the third type—unfair advantage. Here is what it says:

—[41] As regards the concept of ‘making unfair advantage of the distinctive character or the repute of the trade mark’, also referred to as ‘parasitism’ or ‘free-riding’, that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.

[49] ... where a third party attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark, the advantage resulting from such use must be considered to be an advantage that has been unfairly taken of the distinctive character or the repute of that mark.”

So far as I can see this is saying if there is “clear exploitation on the coat-tails” that is ipso facto not only an advantage but an unfair one at that. In short, the provision should be read as though the word “unfair” was simply not there. No line between “permissible free riding” and “impermissible free riding” is to be drawn. All free-riding is “unfair”. It is a conclusion high in moral content (the thought is clearly that copyists, even of lawful products should be condemned) rather than on economic content.”

In *Whirlpool Corporations and others v Kenwood Limited* [2009] EWCA Civ 753 Lloyd LJ stated:

—16. I do not consider that Kenwood's design involves anything like a transfer of the image of the KitchenAid mark, or of the characteristics which it projects, to the goods identified by Kenwood's sign (see *L'Oréal v Bellure* paragraph 41). Of course, as a newcomer in a specialist market of which KitchenAid had a monopoly, and being (necessarily) in the basic C-shape of a stand mixer, the kMix would remind relevant average consumers, who are design-aware, of the KitchenAid Artisan. That, however, is a very different phenomenon, in very different commercial circumstances, from the situation considered in *L'Oréal v Bellure*. I find the Court's judgment instructive, but it does not seem to me to lead to the conclusion in favour of Whirlpool for which Mr Mellor contends. On the contrary, having rejected his radical submission that the word "unfair" could just as well have been left out of the article, it seems to me that the decision points away from, rather than towards, liability under the article on the facts of the present case. It is not sufficient to show (even if Whirlpool could) that Kenwood has obtained an advantage. There must be an added factor of some kind for that advantage to be categorised as unfair. It may be that, in a case in which advantage can be proved, the unfairness of that advantage can be demonstrated by something other than intention, which was what was shown in *L'Oréal v Bellure*. No additional factor has been identified in this case other than intention."

71) In the former judgment Jacob LJ refers to —~~clear~~ "clear exploitation on the coat tails". He refers to the judgment of the CJEU in which it refers to a party attempting to ride on the coat tails. Consequently, the intent is present in the consideration. There is not a negation of the necessity of the advantage being unfair but unfair has become the equivalent to intent, consequently, the judgments are not contradictory. (It is also to be noted that Lloyd LJ makes specific reference to paragraph 41 of *L'Oréal v Bellure* as did Jacob LJ.) This position has been confirmed by the judgment of Kitchin LJ in *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2012] EWCA Civ 24:

—27. The Court may reasonably be thought to have declared, in substance, that an advantage gained by a trader from the use of a sign which is similar to a mark with a reputation will be unfair where the sign has been adopted in an attempt to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, and without making efforts of his own, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image."

72) NRL has to establish not only that use of Boi's trade mark would take advantage of the distinctive character or the repute of the earlier trade mark but

that the advantage would be unfair. There may be circumstances in which unfairness is obvious. In *Mäurer + Wirtz GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-63/07* the GC stated:

—40t is possible, particularly in the case of an opposition based on a mark with an exceptionally high reputation, that the probability of a future, non-hypothetical risk of detriment to the earlier mark or of unfair advantage being taken of it by the mark applied for is so obvious that the opposing party does not need to put forward and prove any other fact to that end. However, it is also possible that the mark applied for does not, at first sight, appear capable of giving rise to one of the risks covered by Article 8(5) of Regulation No 40/94 with respect to the earlier mark with a reputation, even though it is identical with or similar to the earlier mark, in which case the non-hypothetical, future risk of detriment or unfair advantage must be established by other evidence, which it is for the opposing party to put forward and prove (Case T-215/03 *Sigla v OHIM – Elleni Holding (VIPS)* [2007] ECR II-711, paragraph 48).”

Currently, the only unfairness that has been identified in the case law emanates from the intention of a later user. Owing to the differences between the trade marks, despite the enormous reputation of NRL, it cannot be assumed that Boi adopted the trade mark with the intent of taking advantage of NRL’s reputation. NRL has failed to establish unfairness and so its case in relation to Boi taking unfair advantage of the distinctive character or the repute of the earlier trade mark fails.

73) In *Intel Corporation Inc v CPM United Kingdom Ltd* the CJEU considered the nature of dilution:

—29As regards, in particular, detriment to the distinctive character of the earlier mark, also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’, such detriment is caused when that mark’s ability to identify the goods or services for which it is registered and used as coming from the proprietor of that mark is weakened, since use of the later mark leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is notably the case when the earlier mark, which used to arouse immediate association with the goods and services for which it is registered, is no longer capable of doing so.”

In the same judgment the CJEU stated:

—77t follows that proof that the use of the later mark is or would be detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered

consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future.”

Henderson J in *32Red Plc v WHG (International) Limited and others* [2011] EWHC 62 (Ch) stated:

—13. Is there evidence of a change in economic behaviour brought about by the use of the Vegas signs? In the nature of things, direct evidence of such a change is likely to be hard to find in cases of the present type, although Mrs F provides a suggestive example of a customer who was nearly persuaded to change her allegiance as a result of a perceived connection between 32Red and 32Vegas. However, I see no reason why I should not have regard to the inherent probabilities of the situation, and in particular to the contrast between the marketing models of the two casinos. The similarity of their names, and the fact that 32Vegas was always operated as one of a number of linked casinos on the carousel model, lead me to conclude that an average online gambler would have been far readier to switch his allegiance from 32Red to 32Vegas, or to play with 32Vegas in the first place, than he would have been in the absence of such similarity. These are changes in economic behaviour, and I am satisfied on the balance of probabilities that such changes are likely to have occurred to a significant extent.”

74) It has been decided that in relation to certain goods there is a likelihood of confusion. In *Kerly's Law of Trade Marks and Trade Names* (fifteenth edition) at 9-125, in relation to detriment to distinctive character, the editors state:

—Where there is in fact confusion as to origin, the prohibition must apply.”

The reference for this statement is paragraph 57 of *Intel Corporation Inc v CPM United Kingdom Ltd*. However, paragraph 57 relates to the establishment of a link, not the establishment of detriment:

—57 Finally, a link between the conflicting marks is necessarily established when there is a likelihood of confusion, that is to say, when the relevant public believes or might believe that the goods or services marketed under the earlier mark and those marketed under the later mark come from the same undertaking or from economically-linked undertakings (see to that effect, inter alia, Case C-342/97 *Lloyd Schuhfabrik Meyer* [1999] ECR I-3819, paragraph 17, and Case C-533/06 *O2 Holdings and O2 (UK)* [2008] ECR I-0000, paragraph 59).”

Detriment to the distinctive character is not a sequitur of the establishment of a link; the establishment of a link is part of the cumulative process which leads to a consideration as to whether there has been detriment to the distinctive character

(or repute) of the earlier trade mark. As the CJEU stated in *Intel Corporation Inc v CPM United Kingdom Ltd*:

–32 However, the existence of such a link is not sufficient, in itself, to establish that there is one of the types of injury referred to in Article 4(4)(a) of the Directive, which constitute, as was stated in paragraph 26 of this judgment, the specific condition of the protection of trade marks with a reputation laid down by that provision.”

and:

–71 So far as concerns, in particular, the fact referred to in point (d) of that question, as follows from paragraph 32 of this judgment, the existence of a link between the conflicting marks does not dispense the proprietor of the earlier trade mark from having to prove actual and present injury to its mark, for the purposes of Article 4(4)(a) of the Directive, or a serious likelihood that such an injury will occur in the future.”

75) However, the finding of likelihood of confusion in relation to the NEXT trade mark means that it has been decided that, by definition, that use of Boi’s trade mark will disperse the identity and hold upon the public mind of the earlier trade mark; as the average consumer will believe that certain of the goods emanate from the same or an economically linked undertaking. The finding of likelihood of confusion leads inevitably to the conclusion, even without specific evidence, that use of the trade mark of Boi would have an effect upon the economic behaviour of the average consumer of the goods and services of NRL. (As written, the Directive does not allow for the application of section 5(3) of the Act to identical or similar goods and services. The CJEU has expanded the parameters of the Directive to include identical similar goods and services, an expansion that has led to amendment of the Act. The effect of findings under section 5(2)(b) of the Act being potentially determinative of findings under section 5(3) of the Act, is the result of this expansion of the parameters.

76) In his skeleton argument Mr Sherlock referred to the judgment of the CJEU in *L’Oreal SA and others v Bellure NV and others* Case C-487/07. He prayed in aid this judgment in relation to “~~the~~ detriment to the advertising and communication functions”. However, the judgment refers to this in relation to article 5(1)(a) (the equivalent of section 5(1) of the Act:

–58 The Court has already held that the exclusive right under Article 5(1)(a) of Directive 89/104 was conferred in order to enable the trade mark proprietor to protect his specific interests as proprietor, that is, to ensure that the trade mark can fulfil its functions and that, therefore, the exercise of that right must be reserved to cases in which a third party’s use of the sign affects or is liable to affect the functions of the trade mark (Case C-206/01 *Arsenal Football Club* [2002] ECR I-10273, paragraph 51; Case

C-245/02 *Anheuser-Busch* [2004] ECR I-10989, paragraph 59; and Case C-48/05 *Adam Opel* [2007] ECR I-1017, paragraph 21). These functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising.

59 The protection conferred by Article 5(1)(a) of Directive 89/104 is thus broader than that provided by Article 5(1)(b), the application of which requires that there be a likelihood of confusion and accordingly the possibility that the essential function of the mark may be affected (see, to that effect, *Davidoff*, paragraph 28, and *O2 Holdings and O2 (UK)*, paragraph 57). By virtue of the 10th recital in the preamble to Directive 89/104, the protection afforded by the registered trade mark is absolute in the case of identity between the mark and the sign and also between the goods or services, whereas, in case of similarity between the mark and the sign and between the goods or services, the likelihood of confusion constitutes the specific condition for such protection.

60 It is apparent from the case-law cited in paragraph 58 of this judgment that the proprietor of the mark cannot oppose the use of a sign identical with the mark on the basis of Article 5(1)(a) of Directive 89/104 if that use is not liable to cause detriment to any of the functions of that mark (see also *Arsenal Football Club*, paragraph 54, and *Adam Opel*, paragraph 22).”

Consequently, his submission is not pertinent to section 5(3) of the Act. The issue of detriment or damage relates to the distinctive character or the repute of the earlier trade mark.

77) Registration of the application would be contrary to section 5(3) of the Act in respect of the following goods:

toiletries; aftershave; perfume; cosmetics; essential oils; soaps; shampoos; hair lotions;

goods made of leather and imitations of leather and not included in other classes; wallets; handbags; rucksacks; bags; trunks and travelling bags; umbrellas, parasols;

clothing, footwear, headgear.

Section 5(4)(a) of the Act – passing-off

NXT

78) Passing-off requires consideration of all the factors that relate to the use of the sign in relation to which goodwill accrues. In relation to the sign NXT, NRL has established goodwill for outer-clothing and caps for children. This goodwill, as the goods are all sold by way of NEXT shops, catalogues and the Internet, is associated with the NEXT sign. For those knowing the NXT sign of NRL, there will be an inevitable identification with NEXT; the two signs are inextricably linked.

79) In *Phones 4u Ltd v Phone4u co uk Internet Ltd* [2007] RPC 5 Jacob LJ stated:

—46 The next point of passing off law to consider is misrepresentation. Sometimes a distinction is drawn between —~~mere~~ “confusion” which is not enough, and —~~deception~~,” which is. I described the difference as —~~elusive~~” in *Reed Executive Plc v Reed Business Information Ltd* [2004] R.P.C. 40. I said this:

—~~One~~ the position strays into misleading a substantial number of people (going from “I wonder if there is a connection” to “I assume there is a connection”) there will be passing off, whether the use is as a business name or a trade mark on goods.”

17 This of course is a question of degree—there will be some mere wonderers and some assumers—there will normally (see below) be passing off if there is a substantial number of the latter even if there is also a substantial number of the former.

18 The current (2005) edition of Kerly contains a discussion of the distinction at paras 15–043 to 15–045. It is suggested that:

—~~The~~ real distinction between mere confusion and deception lies in their causative effects. Mere confusion has no causative effect (other than to confuse lawyers and their clients) whereas, if in answer to the question: “what moves the public to buy?”, the insignia complained of is identified, then it is a case of deception.”

19 Although correct as far as it goes, I do not endorse that as a complete statement of the position. Clearly if the public are induced to buy by mistaking the insignia of B for that which they know to be that of A, there is deception. But there are other cases too—for instance those in the *Buttercup* case. A more complete test would be whether what is said to be

deception rather than mere confusion is really likely to be damaging to the claimant's goodwill or divert trade from him. I emphasise the word —rely.””

80) In *Harrods v Harrodian School* [1996] RPC 697 Millett LJ stated:

—It is not in my opinion sufficient to demonstrate that there must be a connection of some kind between the defendant and the plaintiff, if it is not a connection which would lead the public to suppose that the plaintiff has made himself responsible for the quality of the defendant's goods or services”

In the same case he went on to state:

—The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration.”

and

—The name "Harrods" may be universally recognised, but the business with which it is associated in the minds of the public is not all embracing. To be known to everyone is not to be known for everything.”

(In *Lego Systems A/S v Lego M Lemelstricht Ltd* [1983] FSR 155 there was no common field of activity but the gap was bridged by evidence showing the deception of the public.) A common field of activity cannot be conflated with similarity of goods and services. Perfumes may not be similar to clothing for the purposes of section 5(2) of the Act, however, owing to trends in brand expansion and the range of goods sold by clothing retailers, they will often be part of common field of activity.

81) In relation to the NXT sign, the goodwill is limited to outer-clothing and caps for children. There is nothing to suggest that the brand expansion referred to above applies to clothing for children. It may be that there is a trend for brands for clothing for children to expand into the likes of perfumery and bags; however, there is no evidence to this point. Taking into account the general nature of the class 25 specification of the application and that Boi's trade mark contains both NXT and NEXT, there will be a misrepresentation in relation to the class 25 goods of the application.

82) Damage in passing-off can take a number of forms^{xxvi}. In this case, taking into account the reputation of the NXT, damage is likely to occur as possible:

- By the injury which is inherently likely to be suffered by any business when on frequent occasions it is confused by customers or potential customers

with a business owned by another proprietor or is wrongly regarded as being connected with that business.

- Erosion of the distinctiveness of NRL's sign.
- By the restriction of the ability to exploit the goodwill.

The application is to be refused in respect of the class 25 goods.

NEXT

83) The goodwill in relation to the sign NEXT is for clothing, footwear, headgear, bags for women, perfumes, soaps and non-medicated toilet preparations and retailing services in relation to them.

84) There is no quid pro quo that those knowing the NEXT sign will also know the NXT sign. In relation to NEXT, the case rests very much on the presence of NEXT in the trade mark of Boi and the likely association of NXT with the word NEXT, as considered above. The enormous reputation of NEXT means that NEXT GENERATION may be seen by the average consumer as referring to a sub-brand of goods being produced by NRL, rather than having either of the possible meanings referred to in relation to likelihood of confusion. (Such a perception is based upon the reputation of the trade mark NEXT, as per the case law cited above, reputation cannot be taken into account when considering the similarity of trade marks for the purposes of section 5(2)(b) of the Act.)

85) Taking into account the reputation of NEXT and the parameters of goodwill, there will be a misrepresentation, in the terms of Phones 4u Ltd v Phone4u co uk Internet Ltd, in respect of the following goods of the application:

toiletries; aftershave; perfume; cosmetics; essential oils; soaps; shampoos; hair lotions;

goods made of leather and imitations of leather and not included in other classes; wallets; handbags; rucksacks; bags; trunks and travelling bags; umbrellas, parasols;

clothing, footwear, headgear.

86) Damage will arise on the same basis as in relation to NXT. The application is to be refused in respect of all of the above goods.

Overall result

87) The application is to be refused in respect of all of the goods with the exception of the following: *dentifrices, leather and imitations of leather, animal skins, hides, walking sticks.*

Costs

88) NRL having been successful for the most part is entitled to a contribution towards its costs on the following basis:

Opposition fee:	£200
Preparing a statement and considering the statement of Boi:	£500
Evidence:	£500
Preparation for and attendance at hearing:	£500
Total:	£1,700

Boi Trading Company Limited is ordered to pay Next Retail Limited the sum of £1,700. 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.

Dated the 11th of July 2012

**David Landau
For the Registrar
the Comptroller-General**

ⁱ Section 6A of the Act reads:

~~(1)~~ This section applies where –

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) 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) In relation to a Community trade mark, any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(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) Nothing in this section affects –

(a) the refusal of registration on the grounds mentioned in section 3 (absolute grounds for refusal) or section 5(4)(relative grounds of refusal on the basis of an earlier right), or

(b) the making of an application for a declaration of invalidity under section 47(2) (application on relative grounds where no consent to registration).”

Under Section 100 of the Act the onus is upon the proprietor of the earlier trade mark(s) to show genuine use:

“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.”

ⁱⁱ ~~2.~~ Conversion shall not take place:

(a) where the rights of the proprietor of the Community trade mark have been revoked on the grounds of non-use, unless in the Member State for which conversion is requested the Community trade mark has been put to use which would be considered to be genuine use under the laws of that Member State;”

ⁱⁱⁱ *Animal Trade Mark* [2004] FSR 19:

–20 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."

^{iv} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32:

-29 I have no doubt that Pumfrey J. was correct to reject the approach advocated in the Premier Brands case. His reasoning in paras [22] and [24] of his judgment is correct. Because of s.10(2), fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out, to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take, for instance, a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under s.10(1). That might be understandable having regard to the similarity of goods. However, the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under s.10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J. to "dig deeper". But the crucial question is--how deep?

30 Pumfrey J. was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31 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 that 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. The court, when deciding whether there is confusion under s.10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use."

^v *General Motors Corporation v Yplon SA* Case C-375/97.

^{vi} See *Ad-Lib Club Limited v Granville* [1971]:

In support of that statement there is cited the case of Norman Kark Publications Ltd. v. Odhams Press Ltd., [1962] 1 All E.R. 636; [1962] R.P.C. 163 in which the first paragraph of the headnote reads:

"In an action to restrain the use of a magazine or newspaper title on the ground of passing off the plaintiff must establish that, at the date of the user by the defendant of which the plaintiff complains, he has a proprietary right in the goodwill of the name, viz., that the name remains distinctive of some product of his, so that the use of the name by the defendant is calculated to deceive; but a mere intention on the part of the plaintiff not to abandon a name is not enough".

Wilberforce, J. went at length into the principles underlying proprietary right in goodwill and annexation of a name to goodwill and the laws of the right to protection of a name and on the facts of that particular case he held that the plaintiff company had lost its right in respect of the name TODAY as part of the title of a magazine.

It seems to me clear on principle and on authority that where a trader ceases to carry on his business he may nonetheless retain for at any rate some period of time the goodwill attached to that business. Indeed it is obvious. He may wish to reopen the business or he may wish to sell it. It further seems to me clear in principle and on authority that so long as he does retain the goodwill in connection with his business he must also be able to enforce his rights in respect of any name which is attached to that goodwill. It must be a question of fact and degree at what point in time a trader who has either temporarily or permanently closed down his business should be treated as no longer having any goodwill in that business or in any name attached to it which he is entitled to have protected by law.

In the present case, it is quite true that the plaintiff company has no longer carried on the business of a club, so far as I know, for five years. On the other hand, it is said that the plaintiff company on the evidence continues to be regarded as still possessing goodwill to which this name AD-LIB CLUB is attached. It does, indeed, appear firstly that the defendant must have chosen the name AD-LIB CLUB by reason of the reputation which the plaintiff company's AD-LIB acquired. He has not filed any evidence giving any other reason for the selection of that name and the inference is overwhelming that he has only selected that name because it has a reputation. In the second place, it appears from the newspaper cuttings which have been exhibited that members of the public are likely to regard the new club as a continuation of the plaintiff company's club. The two things are linked up. That is no doubt the reason why the defendant has selected this name."

^{vii} *Sabel BV v Puma AG* Case C-251/95.

^{viii} *Sabel BV v Puma AG* Case C-251/95.

^{ix} *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

^x *Succession Picasso v OHIM - DaimlerChrysler (PICARO)* Case T-185/02.

^{xi} -40 The answer to the questions referred is therefore that Article 3(1)(b) and (c) of the directive must be interpreted as meaning that it is applicable to a word mark which consists of the juxtaposition of a descriptive word combination and a letter sequence which is non-descriptive in itself, if the relevant public perceives that sequence as being an abbreviation of that word combination by reason of the fact that it reproduces the first letter of each word of that combination, and that the mark in question, considered as a whole, can thus be understood as a combination of descriptive indications or abbreviations which is therefore devoid of distinctive character."

^{xii} *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281.

^{xiii} *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267.

^{xiv} *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 dealt with a non-use issue but are still pertinent to the consideration of the meaning and effect of specifications:

“In my view that 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. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed consumer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to describe the use that a proprietor has made of his mark. Thus, the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use”

^{xv} *Altecnic Ltd's Trade Mark Application* [2002] RPC 34.

^{xvi} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc Case C-39/97*.

^{xvii} He considered that the following should be taken into account when assessing the similarity of goods and/or services:

(a) The respective uses of the respective goods or services;
(b) The respective users of the respective goods or services;
(c) The physical nature of the goods or acts of service;
(d) The respective trade channels through which the goods or services reach the market;
(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

^{xviii} See *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-133/05 paragraph 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 the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104/01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraphs 41 and 42).”

^{xix} *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc Case C-39/97*.

^{xx} See *Meda Pharma GmbH & Co KG c Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* Affaires jointes T-492/09 et T-147/10:

« 50 La requérante soutient que, en cas d'identité de produits, il est nécessaire, pour exclure tout risque de confusion, que les signes présentent une plus grande différence que dans une situation où l'écart entre les produits est important. Or, dans les circonstances de l'espèce où l'identité des produits n'est pas contestée, la chambre de recours aurait dû conclure au risque de confusion, à l'instar de ce qui a été considéré dans la décision R 734/2008-1 de la première chambre de recours de l'OHMI, du 14 septembre 2009 (Alleris et Allernil). Selon la requérante, plusieurs décisions de l'OHMI démontrent que les décisions attaquées s'écartent de la pratique décisionnelle de l'OHMI, ce qui viole les principes d'égalité et de non-discrimination.

51 Il ressort de la jurisprudence que l'OHMI est tenu d'exercer ses compétences en conformité avec les principes généraux du droit de l'Union. Si, eu égard aux principes d'égalité de traitement et de bonne administration, l'OHMI doit prendre en considération les décisions déjà prises sur des demandes similaires et s'interroger avec une attention particulière sur le point de savoir s'il y a lieu ou non de décider dans le même sens, l'application de ces principes doit toutefois être conciliée avec le respect du principe de légalité. Au demeurant, pour des raisons de sécurité juridique et, précisément, de bonne administration, l'examen de toute demande d'enregistrement doit être strict et complet afin d'éviter que des marques ne soient enregistrées de manière indue. C'est ainsi qu'un tel examen doit avoir lieu dans chaque cas concret. En effet, l'enregistrement d'un signe en tant que marque dépend de critères spécifiques, applicables dans le cadre des circonstances factuelles du cas d'espèce, destinés à vérifier si le signe en cause ne relève pas d'un motif de refus [voir, en ce sens, arrêt de la Cour du 10 mars 2011, *Agencja Wydawnicza Technopol/OHMI*, C-51/10 P, non encore publié au Recueil, points 73 à 77, et la jurisprudence citée, et arrêt du Tribunal du 22 novembre 2011, *LG Electronics/OHMI (DIRECT DRIVE)*, T-561/10, non publié au Recueil, point 31).

52 Or il apparaît que, dans la présente affaire, la chambre de recours a correctement pris en compte les circonstances de l'espèce. À cet égard, elle a, à juste titre, constaté l'identité des produits concernés en l'espèce, elle a aussi retenu une similitude très faible des signes en cause sur les plans phonétique et visuel et une impossibilité de comparaison de ces mêmes signes sur le plan conceptuel, comme il ressort des points 40, 41 et 46 ci-dessus. Dès lors, comme le soutient à juste titre l'OHMI, l'identité entre les produits désignés est compensée par un très faible degré de similitude entre les signes en cause et la chambre de recours a pu conclure à bon droit à l'absence de tout risque de confusion, d'autant que le degré d'attention du public est accru et qu'il n'est pas démontré que la marque antérieure présente un caractère distinctif élevé. »

^{xxi} *Sabel BV v Puma AG* Case C-251/95.

^{xxii} *Rewe Zentral AG v OHIM (LITE)* Case T-79/00.

^{xxiii} *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97.

^{xxiv} As per *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV* Case C-342/97.

^{xxv} Re the cumulative process see: *Gruppo La Perla SpA v Office de l'harmonisation dans le marché intérieur (marques, dessins et modèles) (OHMI)* T- 137/05, *Victor Guedes – Indústria e Comércio SA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-151/08, *Gateway, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-434/05 and *Citigroup, Inc and Citibank, NA v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-181/05.

^{xxvi} See *Sir Robert McAlpine Limited v Alfred McAlpine Plc* [2004] EWHC 630 (Ch) Mann J:

-20 When it comes to considering damage, the law is not so naïve as to confine the damage to directly provable losses of sales, or "direct sale for sale substitution". The law recognises that

damage from wrongful association can be wider than that. Thus in *Ewing –v- Buttercup Margarine Limited* (1917) 34 RPC 232 Warrington L.J. said:

"To induce the belief that my business is a branch of another man's business may do that other man damage in all kinds of ways. The quality of the goods I sell; the kind of business I do; the credit or otherwise which I might enjoy. All those things may immensely injure the other man, who is assumed wrongly to be associated with me."

In so saying, he was not limiting the kinds of potential damage to those listed by him. Rather, he was indicating that the subtleties of the effect of passing off extend into effects that are more subtle than merely sales lost to a passing off competitor.

In *Associated Newspapers Limited –v- Express Newspapers* [2003] FSR 909 Page 929. Laddie J cited this passage, referred to other cases and went on to say:

"In all these cases [that is to say, the *Clock Limited* case referred to above and *Harrods –v- Harroddian School* [1996] RPC 679], direct sale for sale substitution is unlikely or impossible. Nevertheless the damage to the Claimant can be substantial and invidious since the Defendant's activities may remove from the Claimant his ability to control and develop as he wishes the reputation in his mark. Thus, for a long time, the common law has protected a trader from the risk of false association as it has against the risk of more conventional goods for goods confusion."

The same Judge expressed himself more picturesquely, but equally helpfully, in *Irvine –v- Talksport Limited* [2002] 1 WLR 2355 at page 2366. Having pointed out the more familiar, and easier, case of a Defendant selling inferior goods in substitution for the Claimant's and the consequential damage, he went on to say:

"But goodwill will be protected even if there is no immediate damage in the above sense. For example, it has long been recognised that a Defendant cannot avoid a finding of passing off by showing that his goods or services are of as good or better quality than the Claimant's. In such a case, although the Defendant may not damage the goodwill as such, what he does is damage the value of the goodwill to the Claimant because, instead of benefiting from exclusive rights to his property, the latter now finds that someone else is squatting on it. It is for the owner of goodwill to maintain, raise or lower the quality of his reputation or decide who, if anyone, can use it alongside him. The ability to do that is compromised if another can use the reputation or goodwill without his permission and as he likes. Thus Fortnum and Mason is no more entitled to use the name FW Woolworth than FW Woolworth is entitled to use the name Fortnum and Mason ...

"The law will vindicate the Claimant's exclusive right to the reputation or goodwill. It will not allow others so to use goodwill as to reduce, blur or diminish its exclusivity." (at p 2368)

In *Taittinger SA –v- Allbev Limited* [1994] 4 All ER 75 Page 88, Peter Gibson L.J. acknowledged that:

"Erosion of the distinctiveness of the name champagne in this country is a form of damage to the goodwill of the business of the champagne houses."

The same view was expressed by Sir Thomas Bingham M.R. at page 93.

21 The damage which results must be as a result of a misrepresentation to a relevant part or section of the public. In the *Jif Lemon* case the relevant people were described as "prospective customers or ultimate consumers of the goods or services in question" by Lord Diplock and as the "purchasing public" by Lord Oliver. Mr Thorley realistically accepted that in this case the relevant public was not confined to people who are at the moment actually customers of Robert and Alfred. In doing so he acknowledged the possibility, which in my view exists in this case, that the

misrepresentation, if any, would or might be received by a wider class than that. However, for Robert to succeed there must be people whose dealings in respect of Robert would somehow be affected by the alleged misrepresentation. Such people must be assumed to be "reasonably well informed and reasonably observant and circumspect". Per Chadwick L.J. in *Bach –v- Bach Flour Remedies Trademarks* [2000] RPC 513 and 534."