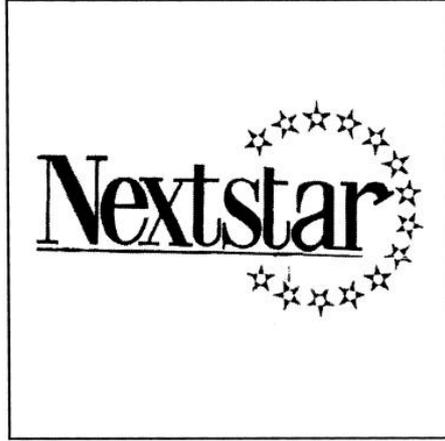


O-320-08

TRADE MARKS ACT 1994

**IN THE MATTER OF INTERNATIONAL REGISTRATION 815899
IN THE NAME OF YÜKSEL ELEKTROTEKNIK SANAYI VE TICARET LIMITED
SIRKETI
FOR PROTECTION IN THE UK OF THE TRADE MARK:**



IN CLASSES 7, 9 & 11

AND

**IN THE MATTER OF OPPOSITION NO 71272
BY NEXT RETAIL LIMITED**

TRADE MARKS ACT 1994

IN THE MATTER OF International Registration No 815899
In the name of Yüksel Elektroteknik Sanayi ve Ticaret Limited Sirketi
for protection in the UK of a trade mark in classes 7, 9 & 11

and

IN THE MATTER OF Opposition No 71272
By Next Retail Limited

BACKGROUND

1. Yüksel Elektroteknik Sanayi ve Ticaret Limited Sirketi ("Yüksel") is the holder of international registration ("IR") 815899. Yüksel designated the UK for protection of its IR on 15 October 2003. The IR has an international priority date of 10 October 2003 which, consequently, is the relevant date for the purposes of this opposition. The trade mark and the goods for which Yüksel seeks protection in the UK are shown below¹:



Class 09: Nautical, photographic, cinematographic, weighing, measuring, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording of sound and 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.

Class 11: Apparatus for lighting, heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes.

¹ It should be noted that protection was initially sought in respect of goods in class 7 (in addition to goods in classes 9 & 11), but this was deleted by Yüksel during the course of the proceedings.

2. On 2 December 2005 Next Retail Limited (“Next”) opposed the granting of protection to the IR in the UK. Next’s grounds of opposition are under sections 5(2)(b), 5(3) & 5(4)(a) of the Trade Marks Act 1994 (“the Act”). In relation to its ground under section 5(4), Next relies on its use of the sign “NEXT” in the UK. In relation to its other grounds of opposition, Next relies on the following earlier trade marks:

Trade Mark	Relevant Dates	Specification
CTM ² Registration 15594 for the mark: NEXT	Filed: 1/04/1996 Registered: 19/10/1998	<p>Class 03: Soaps; cosmetics; essential oils; perfumes; non-medicated toilet preparations; preparations for the hair; deodorants for use on the person; dentifrices.</p> <p>Class 11: Installations for lighting; lamps; lamp bases; lampshades; light bulbs; parts and fittings for all the aforesaid goods.</p> <p>Class 14: Precious metals and their alloys and goods made thereof or coated therewith; jewellery; precious stones; clocks, watches and chronometric instruments; watch straps; watch bracelets; parts and fittings for all the aforesaid goods.</p> <p>Class 18: Leather and leather imitations and goods made thereof; skins and hides; travelling trunks and suitcases; bags; umbrellas, parasols and walking sticks; whips, harnesses and saddlery; parts and fittings for all the aforesaid goods.</p> <p>Class 20: Furniture; beds; bed heads; sofas, sofa beds; chairs; armchairs; tables; pillows; duvets; cushions; mattresses; bedding; parts and fittings for all the aforesaid goods.</p> <p>Class 24: Textiles; plastic material as a substitute for fabric; bed and table covers; bed linen; table linen; household linen; wall hangings; blankets; quilts; duvets and duvet covers; sheets; pillow cases; bed valances; bed-covers; table cloths; table mats; napkins; linen fabrics; fabric wall coverings; curtains; curtain tie-backs; cushion covers; pelmets; blinds; covers for chairs and sofas; towels and face cloths.</p> <p>Class 25: Articles of clothing; footwear; headgear.</p> <p>Class 27: Carpets; rugs; mats and matting; non-</p>

² Community trade mark

		textile wall coverings; wall papers; wall paper borders.
UK Registration 2326404 for the mark: NEXT	Filed: 13/03/2003 Registered: 27/07/2007	Class 9: Sunglasses; cases for spectacles and sunglasses; calculators; electronic organisers; cameras, cassette players, time recording devices; compact disc players, computer games; computer peripheral devices, radios; weighing machines.
CTM Registration 1620434 for the mark: NEXT	Filed: 19/04/2000 Registered: 2/07/2003	Class 35: Retail services in the fields of clothing, headgear and footwear, jewellery, fashion accessories, household articles, towels, bedding, textiles, furniture, lighting apparatus, toys, electrical products, cosmetics, non-medicated toilet preparations, eye ware, carrying cases, handbags and all manner of bags, kitchenware, paints, wallpaper and other products for decorating the home, pictures, picture frames, electrical products, cameras; the bringing together for the benefit of others of a variety of goods including the aforesaid products; enabling customers to conveniently view and purchase these goods; services for the retail of products through high street stores, via mail order catalogues or over the Internet; providing on-line retail store services in the field of the aforesaid goods; information and advice in relation to retail services relating to the aforesaid goods; business management consultancy including giving assistance and advice in the establishment of retail stores in the field of the aforesaid goods; on-line trading services, trading services in respect of a wide range of goods; excluding modelling agency services. Class 42: Technical consultancy and advising in the establishment of retail stores in the field of clothing, headgear and footwear, jewellery, fashion accessories, household articles, towels, bedding, textiles, furniture, lighting apparatus, toys, electrical products, cosmetics, non-medicated toilet 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.

3. Yüksel filed a counterstatement denying the grounds of opposition. Only Next filed evidence (this is summarised below) and the matter came to be heard before me on 24 September 2008. At the hearing, Next were represented by Mr Ian Silcock of Counsel, instructed by Marks & Clerk; Yüksel did not attend the hearing nor did it file any written submissions in lieu of attendance. However, Yüksel did make some observations on the merits of the dispute in its counterstatement which I will take into account.

Next's evidence

4. Next's evidence is given by Ms Sarah Louise Noble, one of its company solicitors. She states that the trade mark NEXT was first adopted and used in the UK in 1982 in relation to clothing, fashion accessories and household goods, and that such goods have been sold through NEXT retail outlets. Ms Noble states that in 1998 a mail order catalogue (which in 2000 gained its one millionth active customer) was launched and that this was followed in 1999 by an online shopping web-site at www.next.co.uk. Reference is made to Exhibit SLN1 which consists of a fact-file about the NEXT business and which sets out further historical details relating to the NEXT brand and the business operation underpinning it. Ms Noble refers to the "numerous awards" that Next have won (this is also mentioned in the fact-file). I note from the evidence that the business started trading in relation to clothing but expanded into home furnishings in 1985 (page 3 of the fact-file). Further reference is made in the fact-file to Next's non-clothing trade; a reference is made to Next's "*home collection*" which is a "*range of contemporary furniture and furnishings as well as wallcoverings, rugs, lighting and accessories*" (page 16 of the fact-file). The final page of the fact-file gives its production date as February 2005.

5. Ms Noble then refers to the goods sold under the NEXT trade mark. She states that this includes clothing, footwear, headgear, fashion accessories and household goods, including electronic goods, calculators, typewriters, apparatus for lighting and heating. She states that the NEXT mark has been applied to the goods, used in its stores and its mail order catalogue and web-site. Exhibit SLN2 contains a selection of pages from Next's mail order catalogue which is called NEXT DIRECTORY. Pages from the 2000 (spring/summer), 2001 (spring/summer), 2002 (autumn/winter) and 2003 (spring/summer) are included. The extracts show various clothing products for women, men and children. The 2000, 2001 & 2003 catalogues have a contents page and I note from this the inclusion of non-clothing goods under the general designation "home" and then sub-designations including "bedroom", "bathroom", "downstairs collection", "kitchen", "lighting", "furniture", "pets/outdoor", "rugs". However, none of these extracts show any of the actual goods sold under these designations.

6. Ms Noble then refers to Next's UK stores which she says total 450 in the UK. Reference to overseas sales in Next branded stores is also made. Exhibit SLN3 contains a list of UK and overseas stores to support her statement.

7. Reference is then made to Exhibit SLN4 which contains various financial reports for the period 2002-2004. Ms Noble states that Next is listed as one of the top 100 companies on the London Stock Exchange. She then gives the annual turnover figures relating to the sale of all goods, and the amounts spent on promotion of them (the figures were given separately, but for ease of presentation I have combined them into one table); the figures are:

Year	Turnover	Advertising/promotion
1997		£6,243,297
1998		£7,900,353
1999	£1,239.1 million	£4,436,156
2000	£1,425.4 million	£4,454,523
2001	£1,588.5 million	£4,781,883
2002	£1,871.7 million	£5,378,000
2003	£2,202.6 million	£4,324,577
2004	£2, 516.0 million	
2005	£2,858.5 million	
2006	£3,106.2 million	

8. Although no turnover figures are provided for the years 1997 and 1998 and although no advertising figures are provided for the years 2004-2006, I do not take this that no activity was undertaken, it merely reflects the figures that Ms Noble chose to include.

9. I note that Ms Noble states that the above figures relate to the sale of all goods. Having examined the content of Exhibit SLN4 in detail, I can find no breakdown of any of the figures per product type. However, I note that reference is made in the reports in SLN4 to the proportion of the NEXT DIRECTORY that is attributed to the non-clothing range – I will return to this later.

10. In relation to the advertising/promotional expenditure, Exhibit SLN5 contains further breakdown per promotional method (direct mail, press inserts, door drop, DRTV, email). Ms Noble then provides information on one type of promotional activity, namely press advertising. Exhibit SN6 contains two press inserts, both feature the NEXT DIRECTORY catalogue and both depict ladies' clothing. The exhibit also contains a list of magazines which carried these inserts together with the circulation figures for some of them. It is fair to say that a large number of publications are listed (around 170) including national newspapers, fashion magazines, lifestyle magazines, pregnancy magazines, home magazines and children's magazines. The circulation figures cover 8 of these publications, each of these 8 publications have circulation figures in the hundreds of thousands.

11. Ms Noble states that the trade mark NEXT has been applied to the goods, the stores, labels and packaging. Exhibit SLN7 contains copies of labels (for clothes), photographs of store fronts, in-store photographs – most of these show

the word NEXT prominently, although, some of them are unclear and do not show the mark.

12. Ms Noble completes her evidence by referring to the use of the NEXT mark on non-clothing goods in classes 7, 9 & 11. She states that the mark has been used since 1998 on electronic goods, apparatus for recording sound and images, magnetic data carriers, recording discs, apparatus for lighting, heating, steam generating, cooking, refrigeration, drying and ventilating. Exhibit SLN8 contains extracts from various NEXT mail order catalogues (the NEXT DIRECTORY) showing use on some of these goods. I have been able to identify four separate catalogues (spring/summer 1998, autumn/winter 2000, autumn/winter 2002, spring/summer 2004) which show use on the following:

Lamps, lampshades and light fittings, alarm clocks, internet timers, memo recorders, torches, cameras, CD-players, tool key rings, binoculars, chess computers, weather forecasters, projection alarm clocks, digital message/name plates, radios, shower clock radios, CD alarm clocks, clocks, mouse mats, calculators, bottle stops, lighters, basketball sets, teddy bears, table football games, table air hockey games, electronic organisers, *Bob the builder* toys, kitchen goods (toasters etc), tax disc holders, tool kits, in car fridges, mini vacuum cleaners, hair clippers, manicure sets, pen-knives, tools with a pouch, inflatable chairs, electronic games, towels, football themed party packs which include CDs.

13. Some of the goods appear in only one catalogue, other goods have more frequent inclusion. Only some of the goods carry the NEXT trade mark. Most carry no branding at all, however, given that they appear in the NEXT DIRECTION, and given that they do not appear to carry other indications of trade origin, the consumer will regard the goods themselves as being the responsibility of Next. The only exception are weather forecasters, projection alarm clocks, memo recorders and kitchen goods (toasters etc) which carry what appear to be third party brand names – to this extent, whilst the consumer will regard Next as being responsible for the retailing of the goods, they will not see Next as being responsible for the goods themselves.

PRELIMINARY ISSUE

14. At the hearing, Mr Silcock requested that Yüksel's defence be struck out and that a judgment be issued in Next's favour. The facts that led him to make this request were that Yüksel had not filed any evidence in the proceedings nor had it attended the hearing before me or filed any written submissions or skeleton arguments in lieu of attendance. Mr Silcock argued that the registrar's inherent jurisdiction to regulate the proceedings³ should be exercised in a way analogous to the Court. In relation to the practice of the Court, I was referred to Part 39.3 of the Civil Procedure Rules ("CPR") which deals with the failure to attend trial.

³See the decision of Pumfrey J. in *Pharmedica* [2000] R.P.C. 536

15. I rejected Mr Silcock's request at the hearing. I did so because there is nothing in the Act or the Trade Marks Rules 2000⁴ ("the Rules") that require Yüksel to file evidence. Nor is there anything that requires a party to the proceedings to make written submissions or to attend the hearing, indeed, it was Next's request to be heard that initiated the hearing before me. I acknowledge that it is open for me to look to the CPR for guidance when I consider it appropriate to do so, but I am not bound by the CPR⁵ and I consider that it would be inappropriate, all things considered, to strike Yüksel's case out.

16. Mr Silcock developed his argument further by submitting that even if I did not strike out Yüksel's case then, given the circumstances he had already described, Next need only make out a *prima facie* case. I also reject this submission. Again, there is no obligation on Yüksel to file evidence or submissions, if they choose not to do so then it is the tribunals task to decide whether or not there are valid grounds of opposition based on the facts of the case, the evidence submitted and any submissions that have been made. The non-filing of evidence or submissions by one of the parties should not lessen the extent to which the tribunal needs to be satisfied that valid grounds of opposition exist. I pause to add that, in terms of Next's evidence, no challenge has been made to any of its factual content; therefore, such facts must be taken as accepted (or at least not challenged) by Yüksel⁶. However, what I can infer from the evidence and its application to the grounds of opposition is, of course, a matter for the tribunal.

DECISION

Proof of use regulations

17. Of potential relevance to the grounds of opposition under section 5(2)(b) and 5(3) are the provisions that relate to proof of use. Section 6A(1)⁷ of the Act stipulates that the provisions relate only to earlier marks the registration procedures of which were completed before the start of the period of five years ending with the date of publication of the mark under opposition. The registration procedures for the earlier marks are: CTM 15594 (19/10/1998); 2326404 (27/7/07); CTM 1620434 (2/7/03). The IR was published in the UK on 2 September 2005. Therefore, only CTM 15594 completed its registration procedure before the start of the period of five years ending with the IR's date of publication. **Consequently, the proof of use provisions apply only to CTM 15594; the other earlier marks (2326404 & CTM 1620434) will be considered for their specifications as registered.**

⁴ These rules are applicable to the proceedings despite the recent coming into force of the Trade Marks Rules 2008.

⁵ See, by way of analogy, *St. Trudo* [1995] R.P.C. 370 in relation to the rules of the Supreme Court.

⁶ See the comments of Mr Arnold QC (sitting as the Appointed Person) in *EXTREME Trade Mark* (BL O/161/07).

⁷ Section 6A was added to the Act by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004 (SI 2004/946) which came into force on 5th May 2004.

18. In relation to CTM 15594, I must apply the proof of use provisions to it in order to determine whether the mark may be considered for the purposes of this opposition and, if so, to what extent. The relevant legislation reads:

“6(A) - (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 or international trade mark (EC), 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).”

19. There are a number of points that arise from the above: firstly, the relevant period for the purposes of demonstrating genuine use is the five year period ending on the date of publication of the IR, the relevant period is, therefore, 3 September 2000 until 2 September 2005. Secondly, within this period, the trade mark must have been put to genuine use in the European Community⁸ (“EC”) or that there are proper reasons for non-use. Thirdly, use of the 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. Fourthly, that the earlier mark can only be taken into account for the purposes of this opposition to the extent (in terms of its goods) that the use conditions are met.

20. Has there been genuine use in the EC during the relevant period? The test relating to genuine use of trade marks and the principles to be applied were dealt with by the European Court of Justice (“ECJ”) in: *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 and *Laboratoire de la Mer Trade Mark* [2006] F.S.R. 5. I do not intend to summarise these cases in full, but taking them in the round, it is clear that the test for genuine use is a qualitative one and not a quantitative one. Genuine use should be found when the trade mark has been used in such a way so as to create or maintain a share in the market for the goods for which it is registered. In relation to this market share, this should not be construed as imposing a requirement that a significant market share has been achieved (*Laboratoire de la Mer*, paragraph 44). Genuine use should not be found if use is mere “token” use or if it is merely internal to the registered proprietor’s business (*Ansul*, paragraph 36 & 37 respectively).

21. In terms of the “share in the market” identified in the above judgments, the market in question is the EC at large. Whilst this is obviously a much larger market than the UK, I do not consider that this imposes a significantly different hurdle such as a requirement to demonstrate genuine use in all member states of the EC. The UK is part of the EC, use in the UK (or indeed any other member state) may be enough so long as such use meets the test for genuine use. Put another way, one must envisage the EC as a territory without borders and to then assess, based on the principles outlined in *Ansul* and *Laboratoire*, whether genuine use in that territory has been made. By way of analogy, see the decisions of Mr Geoffrey Hobbs QC (sitting as a Deputy High Court Judge) in *Whirlpool Corporation and others v. Kenwood Limited* [2008] ewch 1930 (Ch)⁹.

22. Applying the above principles, it is clear that the NEXT mark has been used and that it has been used on a massive scale. The evidence of sales and promotion are large and it is fair to say that the mark is a household name certainly in respect of articles of clothing and the retailing of such goods. However, during the hearing I asked Mr Silcock on more than one occasion as to Next’s evidence in relation to goods other than clothing. He conceded that the turnover and advertising figures were not particularly helpful, although, he

⁸ In view of sub section 5

⁹ Specifically, paragraph 76 of his decision.

brought to my attention the fact that the financial reports filed in evidence indicate that reasonably large parts of the NEXT DIRECTORY are dedicated to non-clothing products and that this would not have been done had such products not been selling; from this he felt that it was reasonable to infer that a corresponding proportion (corresponding to the proportion of the NEXT DIRECTORY) of the turnover could be attributed to the sale of non-clothing goods. He also highlighted that the evidence details a large number of the non-clothing products that have been offered for sale. Whilst it may be possible to make certain inferences from the totality of the evidence presented, I can not make inferences with respect to goods that have not been used (or even claimed to have been used) at all. As a starting point, Next's statement of use in relation to this earlier mark reads:

"The opponent first used the mark NEXT in 1985 for clothing and at least since 1988 on electrical and lighting goods"

23. Comparing the above statement with the goods registered under the earlier mark in question, it can be seen that the claim does not relate to all of the goods registered. To this extent, the goods in classes 3, 18, 20, 24 & 27 are not claimed to have been used as none of them can be said to consist of either clothing, electrical or lighting goods. That, therefore, leaves only classes 11, 14 & 25 to consider; the goods as registered read:

Class 11: Installations for lighting; lamps; lamp bases; lampshades; light bulbs; parts and fittings for all the aforesaid goods.

Class 14: Precious metals and their alloys and goods made thereof or coated therewith; jewellery; precious stones; clocks, watches and chronometric instruments; watch straps; watch bracelets; parts and fittings for all the aforesaid goods.

Class 25: Articles of clothing; footwear; headgear.

24. I have included class 14 for consideration because this seems to me to be the only goods (with the exception of the class 11 goods which are claimed in their own right) in the specification that could be said to be electrical in nature. Even though, from a classification point of view, such goods would not normally be described as electrical goods, I am conscious that the claim to use is made specifically in relation to CTM 15594 and must therefore be taken as a reference to something within its specification that can be electrically powered. However, this would not include for consideration precious metals, jewellery, precious stones, watch straps and bracelets as these, self evidently, would not be electrical.

25. Analysing the evidence put forward (firstly in relation to class 14), and doing so within the above constraint, there is evidence that goods such as clocks (including alarm clocks and clocks that incorporate radios) have been offered for

sale in the NEXT DIRECTORY. Whilst the turnover figures do not identify the amount of sales in relation to these goods, I note that such goods have been offered for sale in a number of the catalogues. It is clear from the case-law that the various factors to consider in determining genuine use have a degree of interdependency¹⁰. Therefore, even if the sales were very low, this may be offset by the reasonably regular use over a number of years that appears to have been made in relation to these goods. Considering all the relevant evidence and factors, the use demonstrated leads me to conclude that the use is more than mere token use and can be regarded as genuine use.

26. In relation to lighting goods, there is inclusion of light fittings, lampshades and lamps in a number of the catalogues. It is also fair to say that a number of different styles are available for such goods and they are spread over a number of pages. It is therefore likely, and capable of safe inference, that at least some of the extremely large turnover figures would be attributable to the sale of these goods. The attributable size cannot, however, be estimated, nevertheless, it strikes me, given the size of turnover and the amount of pages dedicated to the sale of these goods, and considering the numbers of active customers, that the turnover would constitute more than mere tokenism. As with the class 14 goods, the regularity of offering for sale is another factor in Next's favour. Therefore, I am prepared to accept that genuine use has been made in relation to light fittings, lamps and lampshades.

27. This leaves the class 25 goods. The evidence shows that the primary business conducted under the NEXT mark is the sale of clothing. Many different examples of clothing are shown in the various exhibits – women's clothing, men's clothing and children's clothing are all shown and various types (outerwear, underwear, casual-wear and more formal clothing) of each category are demonstrated. The contents pages of Next's catalogues indicate that huge numbers of pages are dedicated to the clothing range. Different types of footwear are also shown. Although use in relation to headgear is not prolific in the exhibits filed, there is still some use demonstrated. I have little hesitation in finding that genuine use has been made.

28. This is not the end of it. Having concluded that there is genuine use, I must assess what would be a fair specification for the use shown. In determining this, I take into account the helpful guidance provided in a number of cases. In *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32 Aldous LJ stated at paragraph 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 the task should be carried out so as to limit the specification so that it reflects the

¹⁰ See to that effect the recent judgment of the Court of First Instance of the European Communities (“CFI”) in *Rykiel création et diffusion de modèles v. OHIM* (case C131-06)

circumstances of the particular trade and the way that the public would perceive the use.”

29. In *Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-126/03* the CFI stated:

“43 Therefore, the objective pursued by the requirement is not so much to determine precisely the extent of the protection afforded to the earlier trade mark by reference to the actual goods or services using the mark at a given time as to ensure more generally that the earlier mark was actually used for the goods or services in respect of which it was registered.

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.”

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

“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.”

31. Taking the above cases in the round it appears to me that I should not be overly picky in the specification I adopt, but neither should I allow an overly broad specification measured against the goods on which use has been shown. In relation to class 25, the breadth of clothing articles that have been demonstrated in evidence leads me to conclude that Next's specification should remain as filed, namely, for all articles of clothing. Similarly, in class 11, a broad range of lighting has been shown in evidence and I am content for the broad descriptions of lighting products to remain, save for the term “light bulbs” for which no use has been shown at all. This leaves me to consider class 14 – I have indicated that the only goods on which use has been shown are clocks, alarm clocks and clocks incorporating radios. Whilst clocks fall within the term “chronometric instruments”, they form only one part of this broader term. Therefore, I conclude that a fair specification should simply be in relation to the clocks themselves; I see no reason why any wider specification (for the purposes of this opposition) should be permitted. My findings are, therefore, that CTM 15594 may only be considered for the purposes of this opposition in relation to:

Class 11: Installations for lighting; lamps; lamp bases; lampshades; parts and fittings for all the aforesaid goods.

Class 14: Clocks; alarm clocks; clocks incorporating radios; parts and fittings for all the aforesaid goods.

Class 25: Articles of clothing; footwear; headgear.

The section 5(2)(b) ground of opposition

The law and the leading authorities

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

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

(a)

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

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

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

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

(a) a registered trade mark, international trade mark (UK), Community trade mark or International trade mark (EC) which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

34. The ECJ has issued a number of judgments germane to this issue, notably: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Mayer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77 and *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) (“*Medion*”) and *Shaker di L. Laudato & Co. Sas* (C-334/05). I will draw upon these cases in my decision. Mr Silcock referred in his submissions to the decision of Lewison J. in *O2 Holdings v. Hutchinson 3g Ltd* {2006} EWHC 534 and the Court of Appeal’s decision in *esure Insurance Ltd v. Direct Line Insurance plc* [2008] EWCA Civ 842 (CA) as setting out the correct approach to the interpretation and application of section 5(2); these decisions will also be taken into account, although, I note that many of the ECJ cases that I have already highlighted were relied upon in Mr Silcock’s authorities, albeit together with further explanation in relation to particular points.

The average consumer and the purchasing act

35. As matters must be judged through the eyes of the average consumer (*Sabel BV v. Puma AG*, paragraph 23) it is important that I assess who this is. Both marks have specifications covering various goods and services. The areas where Next submit that there is the greatest degree of overlap in its goods and services are goods (in Yüksel's specification) that are aimed at the general public (lighting, photographic apparatus, apparatus for recording of sound or images etc). There are, however, more specialist goods that do not fall within this category (for example, cash registers).

36. In relation to the goods targeted at the general consumer, I am conscious that they do not appear to be everyday purchases and I am, therefore, mindful of the comments of the CFI in *Inter-Ikea Systems BV v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (Case T-112/06) where it was stated at paragraph 37:

“The applicant's arguments are not sufficient, however, to call into question OHIM's assertion that, even when buying an inexpensive item of furniture, the average consumer makes his choice on the basis of a number of functional and aesthetic considerations, in order to ensure that it is in keeping with other furniture already in his possession. While the actual act of purchase may be completed quickly in the case of certain items of furniture, the process of comparison and reflection before the choice is made requires, by definition, a high level of attention. Moreover, where the average consumer does not regularly buy certain goods, as is the situation in the present case, his level of attention when buying those goods must, as a general rule, be taken to be higher than his normal level of attention (see, to that effect, Case T-147/03 *Devinlec v OHIM – TIME ART(QUANTUM)* [2006] ECR II-11, paragraph 63).”

37. For the goods aimed at the general public, it is, therefore, likely that the consumers level of attention will be higher than normal. However, this does not equate to the highest level of attention such as that applied when purchasing very expensive products such as new cars. In relation to the other goods, then, given their nature, they are, again, likely to be purchased with a higher degree of attention than the norm (although, again, not necessarily the highest). Given the wide-ranging goods at issue and the fairly general analysis I have made so far, I will comment further on this issue when dealing with the likelihood of confusion.

Comparison of the goods and services

38. All relevant factors relating to the goods and services in the respective specifications should be taken into account when determining this issue. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the ECJ stated at paragraph 23:

‘In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, *inter alia*, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.’

39. Other factors may also be taken into account such as, for example, distribution channels - see, for example, paragraph 53 of the judgment of the CFI in Case T-164/03 *Ampafrance v OHIM – Johnson & Johnson (monBeBé)*.

40. Next’s earlier trade marks are all for the plain word NEXT, but they cover different goods and services from each other. For the purpose of comparison, I will treat all three as a homogenous whole. In his skeleton argument Mr Silcock provided a table setting out where he considered the greatest conflict between the respective goods and services to be. I will utilise this table for the comparison, although, I will look beyond it, if, and when, necessary. In terms of my approach, if Yüksel’s specification utilises a broad term and any of Next’s terms fall within that broad terms (or is similar to a term that would fall within it) then, although there may be also be goods within that broad term that are not similar (or are similar to a lesser extent) then it is sufficient as a finding that the goods are identical (or similar) given that Yüksel has not put forward any limited specification as a fall back position. Furthermore, in my comparison, in addition to the case-law identified above, I also take into account the decision of Jacob J. in *Avnet Incorporated v. Isoact Limited* [1998] F.S.R. 16 (“*Avnet*”) and also the recent judgment of the CFI in *Oakley, Inc v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-116/06 (“Oakley”)*, the latter of these cases dealing with the relationship between goods on the one hand and the retailing of the same goods on the other. I note the following from the two cases:

Avnet

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should also be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase”

Oakley

“57 Thus, notwithstanding the incorrect finding of the Board of Appeal to the effect that the services and goods in question have the same nature, purpose and method of use, it is indisputable that those services and goods display similarities, having regard to the fact that they are complementary and that those services are generally offered in the same places as those where the goods are offered for sale.

58 It therefore follows from all of the foregoing that the goods and services in question resemble each other to a certain degree, with the result that the finding in paragraph 24 of the contested decision that such a similarity exists must be upheld.”

Yüksel's class 9 goods

41. **Yüksel's “nautical apparatus and instruments”** are, Next say, similar to its retail services in the fields of household articles or electrical products (class 35). In my view, the link here is tenuous. Nautical apparatus and instruments relate to devices used on ships etc – whilst it is possible to deck out a ship using household articles or, alternatively, that the nautical devices may be electronic in nature, this would be giving Next's retail specification to wide a construction beyond its core meaning. **My view is that there is no similarity here or, at most, any similarity is of a minimal degree.**

42. **Yüksel's “photographic and cinematographic apparatus and instruments”** are, Next say, identical/similar to its cameras & computer peripheral devices and to its retail services in relation to household articles or electrical products. In my view, a camera can be both a photographic and a cinematographic instrument and, as such, it falls within Yüksel's term. **The goods must, therefore, be considered to be identical.**

43. **Yüksel's “weighing apparatus and instruments”** are, Next say, similar/identical to its weighing machines. There can be no doubt, weighing machines undoubtedly falls within the ambit of Yüksel's term and, therefore, **identical goods are in play.**

44. **Yüksel's “measuring apparatus and instruments”** are, Next say, identical or similar to its weighing machines, clocks (its also lists watches and chronometric instruments, but these have been removed from consideration in view of my proof of use findings), time recording devices, computer peripheral devices and its retail services in relation to household articles, electrical products and kitchenware. Next's weighing machines and time recording devices both clearly have a measuring function (for weight and time respectively) and therefore, I consider them to fall within the first of Yüksel's terms and **must be considered to be identical.**

45. **Yüksel's “checking (supervision) apparatus and instruments”** are, Next say, identical/similar to those goods it relied on in the preceding paragraph. I have no submissions to inform me as to what “checking (supervision) apparatus” actually covers. I can only assume that it covers goods that, for example, allow for the remote checking and supervision of something. To that extent, I do not consider that weighing machines, clocks or computer peripheral devices fall within that category, nor do I see them as being particularly similar. Neither do I see any similarity with Next's retail services in electrical products as Yüksel's

goods do not strike me as ones that would be generally categorised as electrical products even if they can be powered by electricity. There may be a degree of similarity in relation to Next's cameras as they could, potentially, be utilised as part of a supervision system, **but, if there is any similarity, I consider this to be at a relatively low level.**

46. **Yüksel's "lifesaving apparatus and instruments"** are, Next say, similar to its retail services in relation to household articles or electrical products. For similar reasons given in relation to nautical apparatus and instruments, **there is no similarity here or, at most, any similarity is of a minimal degree.**

47. **Yüksel's "teaching apparatus and instruments"** are, Next say, similar to its retail services in the fields of household articles or electrical products. Yüksel's goods will not be categorised as household articles so there can be no clash with the retailing of household articles. In relation to the clash with the retailing of electrical articles, I come, again, to the view that the goods in question will not generally be categorised as electrical products and, therefore, **any similarity is of a minimal degree.**

48. **Yüksel's "apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity"** are, Next say, similar to its computer peripheral devices or to its retail services in the fields of household articles or electrical products. Whilst it could be argued that a computer peripheral device may have some form of electrical control or electrical transformer built into it, that does not, in my view, make the function of the goods the same, nor is the nature of the goods the same, furthermore, the trade channels would not appear to overlap; there may be a degree of complementarity but I do not consider this to be strong when balanced against the other factors. The conflict with retailing does not improve Next's position, Yüksel's goods would not be described as household articles and furthermore, although they deal with electricity (in terms of controlling it etc) they are not what I would describe as electrical products (e.g. goods powered by electricity). **If there is any similarity, I consider this to be at a relatively low level.**

49. **Yüksel's "apparatus for recording of sound and images"** are, Next say, similar/identical to its cameras, cassette players, compact disc players, computer peripheral devices, radios and to its retail services in relation to household articles, electrical products and cameras. Cameras record images, cassette and CD-players play sound but also, from my own experience, often have recording functions. Computer peripheral devices are many and varied but will include apparatus for recording sound and images (e.g. web-cams). In view of all this, **Yüksel's term is identical to goods within Next's specification.**

50. **Yüksel's "magnetic data carriers, recording discs"** are, Next say, similar to its time recording devices, computer games, computer peripheral devices and its retail services in relation to household articles and electrical products. In terms

of **magnetic data carriers**, I regard this solely as the carrier itself and not necessarily the data being carried. To this extent, there seems to me to be an overlap with computer peripheral devices because data carriers must be very similar in nature and purpose (and sold through the same trade channels) as external drives for carrying data (a computer peripheral device) and, as such, are **very similar**. In relation to **recording discs** (use of the word “recording” suggests that they are blank) have a degree of complementarity with computer peripherals devices such as CD and DVD drives, **there is a reasonable degree of similarity here.**

51. **Yüksel’s “automatic vending machines and mechanisms for coin-operated apparatus”** are, Next say, similar to its time recording devices, computer games, computer peripheral devices and its retail services in relation to household articles and electrical products. I cannot see how these goods clash with time recording devices. However, in relation to the clash with computer games, I can see the argument that large arcade type games which are coin operated have a degree of similarity with computer games, however, I consider any similarity to be of a minimal nature given that the goods are mechanisms for coin operated apparatus as opposed to being the arcade game itself. In relation to the clash between Yüksel’s goods and the retailing aspect, again, the observations I have already made in relation to the nature of the retail of electrical products applies here. **Overall, if there is any similarity, I consider this to be at a relatively low level.**

52. **Yüksel’s cash registers**, are Next say, similar to its calculators, electronic organisers, computer peripheral devices and its retail services in relation to household articles and electrical products. The closest clash that I can see is with Next’s calculators as I am aware that some calculators have, as their primary function, an accounting purpose often with built-in receipt printing facilities. **There is a reasonable degree of similarity here.**

53. **Yüksel’s “calculating machines”** are, Next say, similar/identical to a number of goods and services, including calculators. I have no doubt that a calculator must fall within the ambit of Yüksel’s goods and, therefore, **identical goods are in play.**

54. **Yüksel’s “data processing equipment and computers”** are, Next say, similar to computer peripheral devices and its retail services in relation to electrical products. Data processing equipment could very well be a computer peripheral device, if it is not, there must nevertheless be a good deal of similarity given the nature and intended purpose of the goods. Furthermore, computers and computer peripheral devices have a high degree of complementarity and have strong similarities in terms of nature, purpose, user and trade channels. **These goods are highly similar to goods covered by Next’s specification.**

55. **Yüksel’s “fire-extinguishing apparatus”** are, Next say, similar to its retail services relating to household articles or electrical products. In my view, these goods are unlikely to be regarded as either household articles or electrical products. **My view is that there is little or no similarity here.**

Yüksel’s class 11 goods

56. **Yüksel’s “apparatus for lighting”** is clearly identical, as Next say, to its installations for lighting. **Identical goods are, therefore, in play.**

57. In relation to **Yüksel’s apparatus for heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes**, Next say that in addition to being similar to its lighting apparatus, the goods are also similar to its retail services in relation to household articles, lighting apparatus and electrical products. In relation to the clash with Next’s lighting apparatus, there may be some, albeit small, degree of similarity with heating, cooking, refrigerating, drying apparatus given that these would include goods which are sold as functional items for the home and are likely to be targeted at the same consumer – however, their physical nature and specific purpose are not particularly similar which results in overall similarity being quite low. This does not extend to steam generating, ventilating, water supply and sanitary apparatus as I consider these, although still possibly being for domestic use, to be more specialist in nature and are likely to coincide less in the marketplace and less to the same consumer. These observations also apply to the retailing aspect of Next’s case, although apparatus for heating, cooking, refrigerating, and drying would be categorised as electrical products (and to some extent household articles) so making at least a reasonable degree of similarity, goods for ventilating, steam generating, water supply and sanitary purposes do not seem to me to fit naturally into such categorisation. **Therefore, apparatus for heating, cooking, refrigerating and drying are reasonably similar to Next’s goods and services; the other terms have only a very low degree of similarity.**

Comparison of the marks

58. When assessing this factor I must do so with reference to the visual, aural and conceptual similarities between the respective trade marks bearing in mind their distinctive and dominant components (*Sabel BV v. Puma AG*, para 23). For ease of reference, the respective marks are shown below:

Yüksel's trade mark



Next's trade mark

NEXT

59. During the hearing, Mr Silcock submitted that when assessing the similarity between the marks I must bear in mind the use that had been made of Next's earlier marks because this will place greater significance on the NEXT element in Yüksel's mark and, thus, will make them more similar from the consumers point of view. There is no doubt that Mr Silcock is right insofar as the impact that enhanced distinctiveness may have on the likelihood of confusion. However, I intend to firstly assess the inherent degree of similarity between the marks without factoring in the question of enhanced distinctiveness, not least because the degree of enhanced distinctiveness has the capacity to vary between the goods and services at issue and, therefore, so does the impact of such use on the consumers likelihood of being confused. This does not, however, mean that I view the test as anything other than a single composite question (all relevant factors being appreciated globally - *Sabel BV v. Puma AG*, para 22), but it nevertheless reflects the fact that I should begin by making a factual assessment of similarity and then consider the impact of the other factors, including enhanced distinctiveness, when considering whether or not there exists a likelihood of confusion.

60. From a visual perspective, although the words "Next" and "star" are conjoined in Yüksel's mark, it is likely to be noticed by the eye that it is made up of these two verbal elements together with a circular device formed from stars. I also agree with the view expressed by Mr Silcock in his skeleton argument when he submitted that the circular star device around the word "star" has the effect of highlighting the fact that the mark is made up of two words; therefore, the word "Next" is not lost in the overall impression of the mark. In comparison to the word NEXT alone, both marks obviously contain the word NEXT, so there is at least

some degree of visual similarity. However, I do not consider that either of the verbal elements in Yüksel's mark dominates the visual impression of the mark to the extent that it becomes its primary focal point. Whilst the word "Next" is at the beginning of Yüksel's mark, and even taking into account the submission that the presentation makes the "Next" element "stand out", it does not stand out to any significant extent and, in terms of overall impression, the "Next" element only marginally has greater visual dominance than the word "star". This re-enforces the point that the marks must be considered as whole; the common NEXT element does not dominate Yüksel's mark to the extent that its other elements are negligible (see *Shaker di L. Laudato & Co. Sas*). Furthermore, the circular star device creates a further point of distinction, however, this element is not the most striking or dominant of devices and, although it reduces the degree of visual similarity, it does not do so to a significant extent. Overall, I consider there to be a low to moderate degree of visual similarity.

61. In terms of aural similarity, Yüksel's mark will be pronounced as NEXT-STAR with a break between the two verbal elements. Next's mark will be pronounced, obviously, as NEXT. The circular star device plays no role in the aural comparison. Overall, this creates what I regard to be a moderate degree of similarity.

62. Conceptual differences have the capacity to counteract visual and aural similarities¹¹, conceptual similarities may, of course, strengthen them. Yüksel have not identified any specific concept that underpins its mark, but it does observe that the word NEXT functions as a descriptor (to the word STAR) which, it says, de-emphasises the NEXT element. Next say that the word STAR is a word associated with quality and this means that the consumer will take a simple laudatory meaning from this word, which results in emphasis, on a conceptual level, being placed on the word NEXT.

63. My view is that Yüksel's mark does not create a clear and specific conceptual meaning that will form a composite hook in the mind of the consumer. I accept that upon an analysis of the language used the qualifying role highlighted by Yüksel's can be seen, but the combination NEXT STAR does not give an obvious message upon first impression in the same way as, for example, the phrase "NEXT IN LINE". The combination strikes me as odd and it is more likely that the consumer will simply regard the words as having no conceptual relationship. The laudatory significance may or may not be noticed by the consumer, I agree with Mr Silcock that this would be more likely if the Next element is seen as a well known mark in its own right; I will assess this factor in more detail later. I am left with the view, assessing the marks inherent similarities, that there is no strong conceptual difference to counteract the visual and aural similarities that I have identified. Instead, the lack of a composite conceptual meaning gives the elements in the mark a degree of independence

¹¹ See, for example, the ECJ's judgment in Case 361/04P *Ruiz-Picasso v OHIM* [2006] ECR I-643, [2006] ETMR 29

(in the sense described in *Medion*) and as one these elements is conceptually identical to Next's mark then there must be some similarity. **In summary, I consider there to be a moderate degree of overall similarity.**

Distinctiveness of the earlier trade marks

64. The distinctiveness of an earlier mark is another important factor to consider because the more distinctive it is (based either on inherent qualities or because of the use made of it), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). From an inherent point of view, Next's mark is an ordinary dictionary word, but it is a word that has no real allusion to the goods of services in question. I consider it to be a reasonably distinctive trade mark.

65. In terms of Next's use of its marks, it has used it on a large scale particularly in relation to clothing products and their retail. Certainly in respect of these goods the mark has a very high degree of distinctiveness. However, simply because the mark has been used on some goods, this does not mean that it has a high distinctive character for the full range of its goods and services. The purpose of assessing distinctiveness is to consider what impact it has on the consumer's likelihood of being confused. Therefore, it is necessary to establish this in terms of what goods and services an enhanced degree of distinctiveness exists, and its extent; this will then be utilised in assessing the likelihood of confusion.

66. I have already stated that in relation to clothing and its retail the earlier mark is highly distinctive in view of its use. I am also prepared to accept that in relation to lighting apparatus the mark is also highly distinctive (although to not the same very high degree as clothing). This is so because these goods have been sold continuously in the catalogues supplied and, despite no breakdown in turnover figures, this seems to have been done on a reasonably large scale when considering the numbers of pages in the catalogue that are dedicated to such goods.

67. There are other goods demonstrated in the catalogue, for example, those goods I identified in paragraph 12 of this decision. However, whilst I found (see paragraph 25) that some of this was capable of constituting genuine use, it does not follow that this counts as use to establish that the mark has a highly distinctive character. The question is analogous to the question of distinctiveness acquired through use and, therefore, the question is whether the mark is known for the particular goods by a significant proportion of the relevant public¹². Approached in this manner, whilst these additional goods may have been used, the use is of a secondary significance. Whilst this is not necessary irrelevant, such use will not be at the forefront of the consumers mind when they consider Next's use and what goods they are responsible for. In summary, for all these other goods, I cannot find that it has a particularly enhanced degree of distinctiveness, although, from the totality of the evidence, it is reasonably clear

¹² See, by way of analogy, the ECJ judgment in *Windsurfing Chemsief* (Case 108/97)

that the consumer is aware that Next's use of its mark does go beyond its primary clothing goods.

Normal and fair use

68. In his skeleton argument (and also at the hearing) Mr Silcock drew my attention to two UK trade mark applications¹³ in Yüksel's name. The two applications have been opposed by Next and are for the trade marks: 1) NEXT & NEXTSTAR and 2) the stylised versions of these words as depicted below:



69. Mr Silcock's submission was that because Yüksel intends to make use of the above marks¹⁴ then this should be taken as an indication of the way in which the IR will be used (or at least one of the possible forms of its use). To support this view, I was referred to the decision of the Court of Appeal in *Open Country Trade Mark* [2000] R.P.C. 477 where Aldous LJ. stated:

“As I have pointed out the comparison has to be made between the opponents' mark as used and the applicant's mark when used in a normal and fair way. Mr Birss sought to rely upon the actual way the applicant's mark had been used as an illustration of normal and fair use. The judge rejected that approach, relying upon the speech of Lord Upjohn in *BALI*. He said this:

“It seems to me that in making comparison, the section and authority of *Re Bali* and, in particular, the speech of Lord Upjohn, require a comparison between the opponents' mark as used and the applicant's mark in notional fair use. It does not seem to me that it is appropriate to compare the way in which the marks are actually presented, the actual contention being that what was in fact being

¹³ Under numbers 2427809 & 2427810 in classes 7, 9 & 11

¹⁴ In view of the “intent to use” declaration contained on the respective forms of application

done was an attempt to pass off the goods of the applicant as the goods of the respondents because the marks were similarly presented. It does not seem to me to be logical or right to use that argument as a reason to oppose registration.”

The test laid down in *Smith & Co Ltd's Application*, adapted in accordance with the speech of Lord Upjohn in the *BALI* case, is the test applicable whether the applicant has or has not used his trade mark. However, no court would be astute to believe that the way an applicant has used his trade mark was not a normal and fair way to use it, unless the applicant submitted that it was not. It does not follow that the way that the applicant has used his trade mark is the only normal and fair manner. However, in many cases actual use by the applicant can be used to make the comparison. I believe that this is such a case.”

70. I have some difficulty in accepting Mr Silcock's submission. Yüksel's IR is for a figurative mark and I do not see how normal and fair use of a specified figurative mark can include a mark with no particular form of representation or a mark with a different form of presentation and, indeed, a mark that contains an extra word. The applications to which Mr Silcock refer are, by their very nature, trade marks in their own right and this further highlights that use of them (if they are put into use) will be use of those marks and not the IR. I accept that actual use (or for argument's sake intended use) can inform the tribunal on the normal and fair uses to which the IR may be put, but the potential use highlighted is beyond what may reasonably be considered.

Likelihood of confusion

71. Mr Silcock submitted that the test was not one that the consumer will be confused, but it was more that there exists a real prospect of the consumer being confused. He referred to the decision of Lindsay J. in *e-sure Insurances v. Direct Line* (noting that the subsequent appeal had not disturbed the finding on that point) to support his view. I do not intend to debate these forms of wording other than to say that I will not be applying a test equivalent to an inevitability of confusion. A “real prospect” of confusion may be no different in reality to a “likelihood” of confusion, however, as the legislation refers to a “likelihood” then this is the wording and the standard that I will utilise.

72. Next's arguments on confusion are that the similarities between the respective marks and the respective goods and services, together with the strong evidence of Next's brand awareness, will result in confusion. Reference is made to the possibility of Yüksel's mark being seen by the average consumer as a brand extension and also to the concept of imperfect recollection. Yüksel, on the other hand, refer to the differences in the mark and the differences in at least some of the goods and services.

73. Confusion can either be direct or indirect. In relation to direct confusion, where the consumer directly mistakes one mark for the other and is (taking into the other factors such as the respective goods/services and the distinctiveness in the earlier mark) confused regarding the economic origin of the goods. To this extent, I must bear in mind that I have found the respective marks overall impressions to create only a moderate degree of similarity due to the fact that Yüksel's mark contains additional elements over and above Next's mark. Whilst I acknowledge that consumers rarely have the opportunity to compare marks side by side and must instead rely on the imperfect picture that they have kept in mind¹⁵, even applying this principle, it seems unlikely that Yüksel's mark would be recalled so imperfectly for it to be directly mistaken for Next's mark. Even taking into account Next's strongest position (identical goods in class 11 where it has an enhanced degree of distinctiveness) it is my view that the average consumer would not be directly confused between the respective marks. **There is no direct confusion in relation to any of the goods.**

74. Indirect confusion must be more than a likelihood of association in the strict sense¹⁶; instead it is more an association between the marks, due to some similarity between them, which causes the public to wrongly believe that the respective goods come from the same or an economically linked undertaking¹⁷. There is, in my view, more scope for Next's claims here. Whilst there are differences between the marks, they still have a similarity which may, regardless of their differences, result in the consumer believing that the respective goods come from the "same stable".

75. Mr Silcock submitted that Next's evidence shows use of the mark NEXT together with other subsidiary marks and brand extensions. Having examined the evidence, this fact is not clear. There is certainly use of the word NEXT together with other matter (such as the words "maternity", "stretch" "luxury") but, these do not strike me as composite marks of a variant type but simple use of the NEXT mark together with non-distinctive/descriptive indications. Nevertheless, despite the lack of evidence of brand extension, this does not rule out the possibility of the public seeing Yüksel's mark as a brand extension of the NEXT mark. To this extent, I bear in mind Next's submissions in relation to the laudatory significance of the word STAR (I also bear in mind its further argument that Yüksel's mark may be seen as a European subsidiary or European licensee, but, this seems to me to be a less plausible argument). However, the prospects of success must, of course, bear not only on the marks themselves but also on the other relevant factors such as the degree of similarity between the respective goods and services and the impact that Next's use has on the matter. The degree to which these factors point towards confusion varies between the goods sought for protection. Therefore, I will assess the matter with respect to the terms (grouping them together where possible) that Yüksel seeks to protect.

¹⁵ See the judgment of the ECJ in *Lloyd Schufabrik*

¹⁶ *Marca Mode CV v. Adidas AG + Adidas Benelux BV*, paragraph 41

¹⁷ *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 29

76. In relation to apparatus for lighting, this represents Next's greatest prospect of success given that the goods are identical and I have found that Next's use of its mark equates to an enhanced degree of distinctiveness. All of this certainly points towards confusion. Nevertheless, the marks are only similar to a moderate degree and I have already ruled out direct confusion. Taking all relevant factors into account, I am in agreement with Next's submission that Yüksel's mark is likely to be seen by the average consumer as a variant brand of Next's lighting apparatus. I also take the view that the overall construction of Yüksel's mark, and its similarities with Next's mark, will result, in these circumstances, to the consumer taking some form of laudatory significance from the "STAR" element of the mark, along the line of the mark being perceived as the NEXT brand's STAR product. My finding is that the average consumer will regard the goods sold under the marks to be the responsibility of the same or an economically linked undertaking. **Indirect confusion is likely.**

77. There are other goods in Yüksel's specification that are also identical to goods for which Next are registered, namely: photographic and cinematographic apparatus and instruments; apparatus and instruments; weighing and measuring apparatus and instruments; apparatus for recording of sound and images; calculating machines. However, the difference here is that in relation to the goods for which there exists a conflict, Next do not have any form of enhanced distinctiveness. Nevertheless, I take the view that the independence of the NEXT element in Yüksel's mark, the lack of any real conceptual meaning in that mark, and the laudatory significance of the word STAR lead me to the same conclusion, namely, that the consumer will regard the goods sold under it to be from the same or a related undertaking. In coming to this view, I have also taken into account that the goods themselves are sold to the general public (although I concede that the broad terms may also cover more specialist goods) and, although a slightly higher than normal level of attention is being paid during the purchasing act, this does not equate to the highest degree of care and attention. **I find that indirect confusion is likely.**

78. The above finding also extends to data processing equipment and computers and magnetic data carriers, recording discs; cash registers. I come to this view because although the goods are not identical, there is at least a reasonable degree of similarity (high in relation to data processing equipment and computers) and that there are some key complementary relationships (particularly in relation to the computer related goods). Again, although the use of Next's mark is not of great assistance, I am prepared to accept that the average consumer encountering the respective goods and the respective marks will believe that they come from the same or an economically linked undertaking. **I find that indirect confusion is likely.**

79. In relation to apparatus for heating, cooking, refrigerating and drying I have already found that the goods are reasonably similar to Next's goods and services, particularly to the retail of electrical products that I consider Yüksel's

goods to be. Here, it seems likely that the laudatory significance of the word STAR will be seen, i.e. that the goods are the retailer's (NEXT) star range. **I find that indirect confusion is likely.**

80. The remainder of the goods are those for which I have found only a low degree of similarity or that any similarity was of a very minimal degree. In relation to checking (supervision) apparatus and instruments, it seems unlikely that the average consumer of supervision apparatus encountering Yüksel's mark who then encounters a camera (this is where the strongest clash exists) sold under Next's mark, or vice versa, will believe that the goods come from the same source of trade origin. Not only are there differences in the marks and the goods, but Next does not have any real reputation in relation to cameras that would strengthen the link. Furthermore, at least in relation to Yüksel's goods, they appear to be more specialist and the consumer of them more knowledgeable and attentive. **There is no likelihood of indirect confusion.**

81. In relation to apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity, and automatic vending machines and mechanisms for coin-operated apparatus, I come to the same view as expressed in the preceding paragraph. Yüksel's goods strike me as more specialist in nature and the link with Next's goods/services is not particularly strong. Next's reputation does not assist in this particular conflict. **There is no likelihood of indirect confusion.**

82. In relation to nautical apparatus and instruments; lifesaving apparatus and instruments; teaching apparatus and instruments and fire-extinguishing apparatus I have found only a minimal degree of conflict between these goods and the goods/services of Next. The clash is not one where Next's enhanced distinctiveness can assist. In my view, I cannot see that the consumer is likely to believe that the respective goods originate from the same or an economically linked undertaking. **There is no likelihood of indirect confusion.**

83. That leaves apparatus for steam generating, ventilating, water supply and sanitary purposes. I have found little similarity between these goods and those of Next. Even though Next may have an increased level of distinctiveness in relation to its lighting products, I do not consider that this factor is sufficient when balanced against all other relevant factors to result in the consumer believing that the goods come from the same or related economic source of origin. The goods are reasonably specialist; although members of the public may be a relevant consumer, the average relevant consumer is likely to be those in the plumbing trade. The goods are likely to be purchased with a high degree of attention to ensure that the correct product is being purchased. The marks are only moderately similar and the link with lighting products not that strong. The clash with Next's retailing services does not improve its position given that Yüksel's goods are unlikely to be regarded as either household articles or electrical products. **There is no likelihood of indirect confusion.**

Conclusions under section 5(2)

84. The ground of opposition succeeds in relation to:

Class 09: photographic, cinematographic, weighing, measuring apparatus and instruments; apparatus for recording of sound and images; magnetic data carriers, recording discs; cash registers, calculating machines, data processing equipment and computers;

Class 11: Apparatus for lighting, heating, cooking, refrigerating, drying,

85. But fails in relation to:

Class 9: Nautical, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; automatic vending machines and mechanisms for coin-operated apparatus; fire-extinguishing apparatus.

Class 11: Apparatus for steam generating, ventilating, water supply and sanitary purposes

Section 5(4)(a) of the Act

86. Section 5(4)(a) of the Act reads:

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

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

(b)

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of an “earlier right” in relation to the trade mark.”

87. Next relies on the common law tort of passing-off. In *Reckitt & Colman Products Ltd v Borden Inc* [1990] R.P.C.341, the House of Lords set out the necessary elements that need to be demonstrated. They can be summarised as: 1) goodwill, 2) misrepresentation and 3) damage. Lord Oliver summarised the position quite succinctly when he stated:

“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."

88. I only intend to deal with this ground to the extent that Next have been unsuccessful thus far. In his submissions, Mr Silcock did not make any separate or different submissions to those that were made in relation to section 5(2). The evidence relied on for the purposes of enhanced distinctiveness etc. under section 5(2) is relied on to demonstrate goodwill; the similarities between the marks and the goods/services is relied on to have created a misrepresentation; damage is said to follow the event. Taking this into account, I cannot see how Next can be in any better position under section 5(4). The goodwill on which it can rely relates to areas of trade where I have stated that its earlier marks have an enhanced distinctive character of some form. The sign Next relies on is the same sign as its earlier marks, furthermore, the distance between the respective goods still exists. **The ground of opposition, in relation to the remaining goods, fails.**

Section 5(3) of the Act

89. Again, I only intend to deal with this ground in relation to the goods for which Next have been unsuccessful thus far. Section 5(3)¹⁸ of the Act reads:

"5-(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark,

¹⁸ As amended by The Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004 No. 946) giving effect to the judgments of the ECJ in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C- 292/00) and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (C-408/01)

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 Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

90. The scope of Section 5(3) has been considered in a number of cases notably *General Motors Corp v Yplon SA (Chevy)* [1999] ETMR 122 and [2000] RPC 572, *Premier Brands UK Limited v Typhoon Europe Limited (Typhoon)* [2000] FSR 767, *Daimler Chrysler v Alavi (Merc)* [2001] RPC 42, C.A. *Sheimer (M) Sdn Bhd's TM Application (Visa)* [2000] RPC 484, *Valucci Designs Ltd v IPC Magazines (Loaded)* O/455/00, *Mastercard International Inc and Hitachi Credit (UK) Plc* [2004] EWHC 1623 (Ch), *Electrocoin Automatics Limited and Coinworld Limited and others* [2005] FSR 7 and *Davidoff & Cie SA v Gofkid Ltd (Davidoff)* [2003] ETMR 42, *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd (Adidas-Salomon)* (C-408/01) .

91. The points that come out of these cases are as follows:

- a) “Reputation” for the purposes of Section 5(3) means that the earlier trade mark is known by a significant part of the public concerned by the products and services covered by that trade mark (paragraph 26 of the ECJ’s judgment in *Chevy*);
- b) Protection is available where the respective goods or services are similar or not similar (paragraph 29 of the Advocate General’s opinion in *Chevy* and *Davidoff*);
- c) The provision is not intended to give marks “an unduly extensive protection” – there must be actual detriment or unfair advantage (not merely risks) which must be substantiated to the satisfaction of the national court or tribunal (paragraph 43 of the Advocate General’s opinion in *Chevy* and paragraph 88 of Pumfrey J’s judgment in the *Merc* case);
- d) The provision is not aimed at every sign whose use may stimulate the relevant public to recall a trade mark which enjoys a reputation with them (per Neuberger J in the *Typhoon* case);
- e) The stronger the earlier mark’s distinctive character and reputation the easier it will be to accept that detriment has been caused to it (paragraph 30 of the ECJ’s judgment in the *Chevy* case);
- f) Confusion as to the trade source of the goods or services offered for sale under the later mark is not a necessary condition before there can be detriment; but is one form of detriment (paragraph 88 of Pumfrey J’s judgment in the *Merc* Case);

g) It is not conditional for a finding that there exists a likelihood of confusion; it is sufficient for the degree of similarity between a mark with a reputation and the applied for mark to have the effect that the relevant consumer establishes a link between the marks (paragraph 31 of the ECJ's judgment in *Adidas-Salomon*);

h) Detriment can take the form of either making the earlier mark less attractive (tarnishing) or less distinctive (blurring) (paragraph 88 of Pumfrey J's judgment in the *Merc* Case);

i) Unfair advantage can take the form of feeding on the fame of the earlier mark in order to substantially increase the marketability of the goods or services offered under the later trade mark (per G Hobbs QC in *Visa* at page 505. lines 10-17).

92. I have also taking into account the decision of Anna Carboni (sitting as the Appointed Person) in *Cube Publishing Ltd v. Standard Life Insurance Company* (BL O/208/08) where she reviewed the relevant legislation relating to this issue and I note the further decisions that she made reference to, notably: *L'Oreal SA v. Bellure NV* [2007] EWCA Civ 968, [2008] ETMR 1 and *Intel Corporation Inc v. CPM United Kingdom Ltd* [2007] EWCA Civ 431, [2007] ETMR 59, and also the opinion of Advocate General Sharpston in the latter of these cases (Case C-252/07, Opinion dated 26 June 2008).

Reputation

93. I have already commented under section 5(2) and 5(4) on the use that Next has made of its mark. I have no doubt that the NEXT trade mark is very well known for its core business activities. However, my earlier observations as to the breadth of reputation also apply here. In relation to clothing and lighting products (and their retail) I am prepared to accept that there is a reputation. However, in relation to other goods the reputation is not as strong, indeed, applying the test set out in *Chevvy*, it does not seem to me that a significant part of the relevant public will know of the trade mark in relation to the other goods/services. The evidence is not, in my view, clear enough in terms of what other goods have actually been sold, the frequency of such sale, market share etc. Therefore, whilst I am prepared to accept that a reputation exists in relation to clothing (and its retail) and that I am able to infer from the evidence the same in relation to lighting (and its retail) this is all I am able to find.

94. In terms of the nature of this reputation, there is nothing in the evidence to suggest that Next's reputation is characterised by any particular characteristic such as a reputation for luxury. The goods are clearly popular, attracting what I am sure (particularly in relation to clothing) is a large market share of a very

fragmented market. However, whilst the goods do not strike me as budget or being targeted at the lower end of the market, there is little else I can infer.

The “link”

95. The ECJ’s judgment in *Adidas-Salomon* highlighted that confusion is not a pre-requisite for a finding under this ground, it being sufficient that the degree of similarity between the marks has the effect that the relevant consumer establishes a link between them. The link, however, appears to be more than a simple finding that the marks have some degree of similarity. At paragraph 30 of the ECJ’s judgment in *Adidas-Salomon* it drew an analogy between the test to be applied here with the global appreciation test relevant to the likelihood of confusion:

“The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABEL*, paragraph 22, and *Marca Mode*, paragraph 40).”

96. Adopting such an approach, and taking into account relevant factors such as the similarity between the signs, the goods and services at issue and the reputation/distinctiveness of the earlier marks, I come to the view that a consumer encountering Yüksel’s mark may bring to mind Next’s earlier mark and reputation. This is enough to constitute a link.

Heads of damage

97. Next’s claim is that the use of Yüksel’s marks on its goods will dilute the distinctive character and repute of its earlier marks. Mr Silcock’s submissions focus on the inevitable eroding and dilution of Next’s marks. That may be so in relation to some goods, but I only intend to address the matter in so far as the goods for which Next have been unsuccessful thus far. In its judgment in *Sigla SA v OHIM* (Case T-215/03) the CFI set out and described the heads of damage applicable under article 8(5) of Regulation No 40/94 (section 5(3) as incorporated into the Act), this included:

Detriment to distinctive character, which the CFI described as:

“37. So far as concerns, first, detriment to the distinctive character of the earlier mark by the use without due cause of the mark applied for, that detriment can occur where the earlier mark is no longer capable of arousing immediate association with the goods for which it is registered and used (*SPA-FINDERS*, paragraph 34 above, paragraph 43). That risk thus refers to the ‘dilution’ or ‘gradual whittling away’ of the earlier mark through the dispersion of its identity and its hold upon the public mind

(Opinion of Advocate General Jacobs in *Adidas-Salomon and Adidas-Benelux*, paragraph 36 above, point 37).”

and, detriment to repute, which the CFI described as:

39. As regards, secondly, detriment to the repute of the earlier mark by the use without due cause of the mark applied for, it must be pointed out that such detriment is made out where the goods or services covered by the mark applied for may appeal to the public's senses in such a way that the earlier mark's power of attraction is diminished (*SPA-FINDERS*, paragraph 34 above, paragraph 46). The risk of that detriment can, inter alia, occur where those goods or services have a characteristic or a quality which may have a negative influence on the image of an earlier mark with a reputation on account of its being identical or similar to the mark applied for.

98. I can see nothing in Next's claim or in its submissions to suggest a concern that Yüksel's use of its mark on its goods would create the “tarnishing” effect highlighted by the CFI. Therefore, I will deal solely with the dilution aspect as a potential head of damage. On this, and applied to this case, this should be considered if the use of Yüksel's mark results in Next's mark no longer being capable of arousing immediate association with the goods for which it is registered. Bearing in mind where, in relation to its earlier mark, Next have a reputation, and bearing in mind the remaining goods of Yüksel that I am considering, I have difficulty in seeing how such detriment will occur. In my view, although the word NEXT is present in Yüksel's mark, the degree of similarity between them, and the relationship between the goods, and also bearing in mind that the majority of the goods that remain to be considered are those of a more specialist nature, I do not consider that the capacity of Next's mark to arouse immediate association with its goods is any way diminished. **This ground of opposition fails.**

99. Shortly before this decision was issued, the ECJ delivered its judgment in *Intel Corporation Inc v. CPM United Kingdom Ltd* (Case C-252/07). I have considered the judgment and the principles it sets forth and cannot see that the findings affect this case nor do I consider that any submissions in relation to them would affect the outcome. It is to be noted that the parties did not request a stay of the proceedings pending the outcome of the judgment.

CONCLUSIONS

100. Given my findings in relation to section 5(2), the opposition succeeds in respect of:

Class 09: photographic, cinematographic, weighing, measuring apparatus and instruments,; apparatus for recording of sound and images; magnetic

data carriers, recording discs; cash registers, calculating machines, data processing equipment and computers;

Class 11: Apparatus for lighting, heating, cooking, refrigerating, drying,

101. The opposition fails in respect of:

Class 9: Nautical, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity automatic vending machines and mechanisms for coin-operated apparatus; fire-extinguishing apparatus.

Class 11: Apparatus for steam generating, ventilating, water supply and sanitary purposes

Costs

102. Mr Silcock invited me to make an award of costs above the scale given Yüksel's lack of participation in the proceedings. As I have already stated, no obligation exists to file evidence or to make submissions, therefore, I do not consider it necessary to consider anything other than normal scale costs. To that extent, I note that both sides have achieved a relatively equal measure of success, therefore, I do not favour either side with an award of costs.

Dated this 5 day of December 2008

**Oliver Morris
For the Registrar
The Comptroller-General**