

O-196-10

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATIONS NOS 2427809 & 2427810
BY YUKSEL ELEKTROTEKNIC SANAYI VE TICARET LIMITED TO
REGISTER THE TRADE MARKS:**

NEXT & NEXTSTAR

AND



IN CLASSES 7, 9 & 11

**AND IN THE MATTER OF CONSOLIDATED OPPOSITIONS
THERE TO UNDER NOS 97788 & 97789
BY NEXT RETAIL LIMITED**

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BACKGROUND

1) On 21 July 2006, Yuksel Elektroteknik Sanayi Ve Ticaret Limited ("Yuksel"), of Sirketi, Perpa Elektrokent Is, Merkezi A Blok Kat:8, No. 810 Okmeydani, Istanbul, Turkey applied under the Trade Marks Act 1994 for registration of the above mentioned marks.

2) Both of these two applications are in respect of the following identical list of goods:

Class 7

Machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs.

Class 9

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

Class 11

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

3) The applications were both subsequently published on 16 May 2008 and on 18 August 2008, Next Retail Limited (“Next”) of Desford Road, Enderby, Leicester, LE19 4AT filed notice of opposition to the applications. The respective grounds of opposition are the same in both cases and are, in summary:

- a) Yuksel’s marks offend under Section 5(2) (b) of the Act because they are identical or similar to four of Next’s earlier marks and all the goods claimed are identical or similar to Next’s goods and services.
- b) Yuksel’s marks offend under Section 5(3) of the Act because they are identical or similar to five of Next’s earlier marks that have a reputation.
- c) Next has goodwill in the earlier sign NEXT that is entitled to protection by virtue of the law of passing off and Yuksel’s applications therefore offend under Section 5(4) (a) of the Act.

4) The earlier marks relied upon by Next are all in respect of the mark NEXT. The other relevant details are reproduced below:

Registration No. and relevant dates	Goods and services	Relied on in respect of grounds
2326404 Filing date: 13 March 2003 Registration date: 29 June 2007	Class 09: 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.	Section 5(2) (b) Section 5(3)

<p>2116350</p> <p>Filing date: 21 Nov 1996</p> <p>Registration date: 1 May 1998</p>	<p>Class 09: Sunglasses; spectacles; frames; lenses; contact lenses, cases and chains for spectacles and sunglasses; parts and fittings for all the aforesaid goods.</p>	<p>Section 5(2) (b) Section 5(3)</p>
<p>Community Trade Mark (CTM) 15594</p> <p>Filing date: 1 April 1996</p> <p>Date of registration: 19 Oct 1998</p>	<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-textile wall coverings; wall papers; wall paper borders.</p>	<p>Section 5(2) (b) Section 5(3)</p>
<p>CTM 1620434</p> <p>Filing date: 19 April 2000</p> <p>Registration date: 2 July 2003</p>	<p>Class 35: Retail services in the fields of clothing, headgear and footwear, jewellery, fashion accessories, household articles, towels, bedding, textiles, furniture, lighting apparatus, toys, electrical products, cosmetics, non-medicated toilet preparations, eye ware, carrying cases, handbags and all manner of bags, kitchenware, paints, wallpaper and other products for decorating the home, pictures, picture frames, electrical products, cameras; the bringing together for the benefit of others of a variety of goods</p>	<p>Section 5(2) (b) Section 5(3)</p>

	<p>including the aforesaid products; enabling customers to conveniently view and purchase these goods; services for the retail of products through high street stores, via mail order catalogues or over the Internet; providing on-line retail store services in the field of the aforesaid goods; information and advice in relation to retail services relating to the aforesaid goods; business management consultancy including giving assistance and advice in the establishment of retail stores in the field of the aforesaid goods; on-line trading services, trading services in respect of a wide range of goods; excluding modelling agency services.</p> <p>Class 42: Technical consultancy and advising in the establishment of retail stores in the field of clothing, headgear and footwear, jewellery, fashion accessories, household articles, towels, bedding, textiles, furniture, lighting apparatus, toys, electrical products, cosmetics, non-medicated toilet 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.</p>	
<p>2026917</p> <p>Filing date: 13 July 1995</p> <p>Registration date: 22 March 1996</p>	<p>Class 25: Articles of clothing; footwear; headgear</p>	<p>Section 5(3)</p>

5) Yuksel subsequently filed very similar counterstatements denying the Next's claims and putting it to strict proof of use in respect of "all goods and services, where relevant, covered by the registrations" except in respect of No. 2326404.

6) The two sets of proceedings were subsequently consolidated with Next filing a single set of evidence. Yuksel did not file evidence. Both sides ask for an award of costs. The matter came to be heard on 20 May 2010 when Next was represented by Ian Silcock of Counsel, instructed by Marks & Clerk LLP. Yuksel were not represented and neither did it file any written submissions in lieu of the attending the hearing.

Opponent's Evidence

7) This takes the form of a witness statement, dated 24 June 2009, by Sarah Louise Noble, Company Solicitor of Next. Ms Noble states that she has free access to Next's records relating to its marks. She explains that Next is a wholly owned subsidiary of Next Group Plc and that the predecessor of this company first used the mark NEXT in the UK in 1982 and in respect of a wide range of clothing products, fashion accessories and household goods. These goods were sold through a chain of high street stores and in 1998, Next also launched a mail

order catalogue service and in 1999 an online shopping website at www.next.co.uk. In the year 2000, the mail order service achieved its millionth customer.

8) At Exhibit SLN1, Ms Noble provides corporate information about Next, supporting the statements detailed above. It also includes a copy of a twenty eight page document entitled "Next Factfile" and is dated 4 February 2005. This document records the following:

"NEXT is a retail success story which has achieved and sustained an impressive rate of growth since it first started trading in the early 1980s."

"...Next [has] a strong brand image... Next Womanswear quickly became synonymous with value for money, good quality fashionable clothes... By the end of its first season the new NEXT concept had proved so successful that it was already trading from 70 stores throughout the UK."

"Within two years we extended our range to introduce NEXT for men...this exciting new retail concept developed so quickly that after only twelve months Next's Menswear had grown from 52 to 130 stores."

"NEXT expanded into home furnishings with the introduction of NEXT Interiors in 1985."

"However, probably the most innovative of all NEXT's products came in 1988 with the arrival of NEXT Directory...For the first time in history mail order became an acceptable, respectable and fashionable way to buy."

"By 1994 NEXT had over 300 retail stores and since then has won an impressive list of awards that include [various national magazine's "retailer of the year award" and one "retailer of the decade]"

"...Since the year 2000 we have increased our retail floor space to over 3,000,000 square feet and have several stores in excess of 30,000 square feet."

"Next have over approximately 400 stores throughout the UK and the Republic of Ireland...only those with sufficient floor space have a Home department..."

"Today the [NEXT] Directory is the largest hard-backed mail order publication in the world with a print run in excess of 2 million copies per season."

9) At Exhibit SLN2, Ms Noble provides copies of pages from five of Next's mail order catalogues, called "NEXT Directory", to illustrate that it sells a wide variety

of goods under the mark NEXT, including clothing, footwear, headgear, fashion accessories, household goods, furniture and electrical goods. These are dated Autumn/Winter 2002, Spring/Summer 2003, Autumn/Winter 2004, Spring/Summer 2005 and Spring/Summer 2006 respectively. The NEXT mark is visible on many of the goods claimed and, in particular and in addition to clothing, footwear and headgear, on radios, various cosmetics, aftershave, anti-perspirant sprays, deodorant sprays, moisturisers, hair and shower gels, wash bags, make-up bags, leather travel wallets and passport covers, mobile phone chargers, plug adaptors, hairdryers, watches, fans, steamers, smoothie makers, wine coolers, kettles and toasters. In addition, other items appear in the catalogue but not obviously bearing the NEXT mark. Such goods include cases for glasses, lighters, CD players, mouse mats, calculators, heated towel rails, wash basins, mixer taps, toilet seats, lighting, light switches, travel clocks, holdalls, travel/luggage bags, blinds, shower curtains, sofas, tables, cabinets, fridges, showers, sunglasses, fire places, bed linen and duvet covers, cushions, fashion jewellery, rugs, car tool kits and bike tool kits.

10) Some goods are shown that bear the mark of a third party, namely hi-fis, slow cookers, steamers and fryers. In addition, several of these exhibits also include a list of contents covering goods not illustrated. These lists include curtains, mattresses and glasses including prescription glasses.

11) Ms Noble states that NEXT operates five hundred stores throughout the UK and a list of these is provided at Exhibit SLN3. At Exhibit SLN4, she provides a copy of Next Group Plc's annual report, dated January 2006. It records that the company is listed as one of the top one hundred companies on the London Stock Exchange with an annual turnover, in 2006, of £3.1 billion. Ms Noble provides the following turnover figures for Next Group Plc:

Year	£ (billion)
2000	1.4
2001	1.5
2002	1.8
2003	2.2
2004	2.5
2005	2.9
2006	3.1
2007	3.3

12) It is not clear what proportion of this turnover relates specifically to the opponent, Next Retail Limited, but Ms Noble states that the figures relate to the overall sales of goods under the mark NEXT, that are all in the name of the opponent. In Next Group Plc's annual report, a breakdown of its turnover for the year 2006 illustrates that £2.9 billion of its total turnover of £3.1 billion was attributed to the NEXT brand.

13) At Exhibit SLN5, is a breakdown of the annual turnover figures relating to the sale of household goods. These are represented in the following way:

Home Dept Total Brand Turnover							
	Directory Turn			Retail TO			Brand TO Yr 2004
	SS04	AW04	Total	SS04	AW04	Total	
Home	69.0	84.7	153.7	72.7	91.5	164.2	317.9
	Directory Turn			Retail TO			Brand TO Yr 2005
	SS05	AW05	Total	SS05	AW05	Total	
Home	77.6	98.0	175.6	78.3	110.9	189.3	364.9

14) Ms Noble provides the following percentage breakdown of these turnover figures:

Department	Percentage
Womenswear	46.5%
Menswear	24%
Childrenswear	18.5%
Other goods, including household goods	11%

15) The following promotional spends are also provided:

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

16) At Exhibit SLN7 is a copy of a two page advertisement for the NEXT Directory together with a list of publications that included this. About 170 publications are listed including such national publications as Cosmopolitan, Company, Country Living, Elle, Good Housekeeping, Hello Magazine to name but a few. Two copies of advertisements for NEXT womenswear are provided at Exhibit SLN8. These are undated, but they include a reference to NEXT having “[o]ver 400 stores nationwide”. This fact, when taken in conjunction with earlier evidence in the NEXT Factfile, suggests that they are from 2004 or 2005.

17) At Exhibit SLN9 are copies of numerous clothing product labels bearing the NEXT mark. Further, copies of photographs of NEXT stores are also provided. These have been obtained from the NEXT website on 10 October 2005.

PRELIMINARY ISSUE

18) At the hearing, Mr Silcock sought leave to amend Next's pleadings to include an additional earlier mark, explaining that the issue had only come to light the evening before the hearing. No mention of this issue was made in his skeleton arguments. He explained that, whichever way I found on the point, Next did not believe that an adjournment of the hearing would be necessary. If I found in its favour, Mr Silcock argued that a short time could be allowed for Yuksel to make written submissions on the point. The mark in question is 2371317 NEXT registered in respect of goods and services in numerous classes, but in particular "hand tools and implements" in Class 8 and "household kitchen utensils" and "articles for cleaning purposes" in Class 21. Mr Silcock informed me that its date of registration was less than five years before the publication of the contested applications and is therefore not subject to proof of use. He drew attention to the similarity between such goods and Yuksel's Class 7 goods.

19) In support of his case, Mr Silcock referred me to the Registry decision O-043-03 MEDIMED where the hearing officer relied upon the comments made in a decision of the High Court to allow a similar amendment to pleadings. The High Court case in question is *ST Dupont v El du Pont de Nemours & Co* [2002] EWHC 2455. The relevant parts of the judgment stated:

"11. Whether or not to permit a party to argue a new point, which should have been pleaded and is raised for the first time at, or very shortly before, the hearing, is, of course, a matter for the discretion of the tribunal before whom the hearing is taking place. ...

12. It is, of course, impossible to generalise with confidence on the proper approach for a tribunal in every case faced with an application by a party to argue a point raised for the first time during, or very shortly before, the hearing. However, in the absence of special factors, I would have thought that if there is no need for any significant adjournment, to enable the other party to put in evidence or otherwise prepare for a new and difficult point, then justice would normally indicate that the discretion be exercised in favour of permitting the point to be argued, especially if it is raised before the hearing starts. If the point is bad, then no prejudice will be caused to the other party by it being raised. If the point is good, then, at least in the absence of special circumstances, it might well represent an unduly harsh penalty on the party wishing to raise the point, and a windfall which was hard to justify in favour of the party against whom the point was raised, if it could not be argued. That is all the more true where the point sought to be raised is by an objector to the registration of a trademark, where the public

interest will be engaged. However, it should be emphasised that there will be cases in which this approach to late amendments will not be justified, see e.g. *Ketteman v Hansel Properties Ltd* [1987] AC 189, especially at 219D to 220H.

13. On the other hand, where permitting a point, not so far pleaded, to be raised at the last minute will involve severe disruption, the obvious example being the hearing having to be adjourned for a significant time, different considerations may well apply. In such circumstances, the tribunal may think it right to permit the point to be raised even though an adjournment is required, on appropriate terms as to costs and directions. However, in many cases, the tribunal may conclude that it is simply too late for the point to be raised, and that the delay, disruption and distress caused by an adjournment could not be justified.”

20) The Hearing Officer in that case also drew attention to Tribunal Practice Notice 4/2000 and to the following passage:

“Amendments to statements of case & counter-statements

22. As parties will be expected to file focussed statements of case and counter-statements, the Trade Marks Registry will consider requests to amend these documents later in the proceedings. Amendments may include adding or removing a ground of opposition/revocation or invalidity or correcting information contained therein. If an amendment becomes necessary parties should seek leave to make the amendment at the earliest opportunity. When seeking leave to amend, full details of the amendment, together with the reasons for the amendment, should be submitted. Whilst each request to amend will be considered on its merits the Registry will aim to give favourable consideration to such requests on the basis that it is likely to avoid a multiplicity of proceedings and thus help resolve the dispute between the parties quickly and at less cost. If the amendment requires the other party to file an amended counter-statement or additional evidence, an award of costs to cover this may be made.”

21) On the face of it, there are attractions to permitting such an amendment as the new earlier mark improves Next’s case with regard to its attack upon Yuksel’s Class 7 and, therefore, it could be argued that to allow it would provide Next with its best case and therefore avoid the possibility of multiplicity of proceedings. However, Mr Silcock’s argument requires me to accept that Yuksel will not respond at all, or not substantially, to the point in the same way as it has chosen not to submit evidence or submissions regarding the other issues involved in these proceedings. I am unwilling to make such an assumption. As I explained to Mr Silcock, Yuksel may be moved to defend its mark insofar as it covers Class 7 for any number of reasons, including because it may be its real area of interest. As such, if I were to allow the amendment, it would be appropriate to give Yuksel

a full opportunity to be heard on the point and it would be necessary to adjourn the hearing resulting in substantial delay and further costs. Balancing this against the other factors, including the possibility of further proceedings, I found that the request should be denied. In making this finding, I should comment that one factor I have taken into account is that, upon a close reading of Next's evidence, it is far from evident that it has any interest in the type of goods covered by Yuksel's Class 7 goods. Therefore, it is not obvious to me that to deny the amendment would result in further proceedings.

22) I will now move on to consider each substantive grounds of opposition.

DECISION

Proof of use

23) The Trade Marks (Proof of Use, etc) Regulations 2004 apply in this case. The provision reads as follows:

“6A Raising of relative grounds in opposition proceedings in case of non-use

(1) This section applies where –

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

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

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

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

(3) The use conditions are met if –

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

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

(4) For these purposes –

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

...

(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...”

24) The requirements for “genuine use” have been set out by the European Court of Justice (“the ECJ”) in its judgment in *Ansul BV v Ajax Brandbeveiliging BV*, Case C-40/01 [2003] RPC 40 and in its reasoned Order in Case C-259/02, *La Mer Technology Inc. v Laboratoires Goemar S.A.* [2005] ETMR 114.

25) In *Ansul*, the European Court of Justice held as follows:

“35. ... ‘Genuine use’ therefore means actual use of the mark....

36. ‘Genuine use’ must therefore be understood to denote use that is not merely token, serving solely to preserve the rights conferred by the mark. Such use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user...

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

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

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

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

26) In *La Mer* the ECJ held as follows:

21. ... it is clear from paragraph [39] of *Ansul* that use of the mark may in some cases be sufficient to establish genuine use within the meaning of the Directive even if that use is not quantitatively significant. Even minimal use can therefore be sufficient to qualify as genuine, on condition that it is deemed justified, in the economic sector concerned, for the purpose of preserving or creating market share for the goods or services protected by the mark.

22. The question whether use is sufficient to preserve or create market share for those products or services depends on several factors and on a case by case assessment which it is for the national court to carry out....

...

25. In those circumstances it is not possible to determine *a priori*, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow the national court to appraise all the circumstances of the dispute before it, cannot therefore be laid down.

27) In its judgment in *The Sunrider Corp v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case C-416/04 P the ECJ stated:

“72 It follows that it is not possible to determine *a priori*, and in the abstract, what quantitative threshold should be chosen in order to determine whether use is genuine or not. A *de minimis* rule, which would not allow OHIM or, on appeal, the Court of First Instance, to appraise all the circumstances of the dispute before it, cannot therefore be laid down (see, to that effect, order in *La Mer Technology*, paragraph 25). Thus, when it serves a real commercial purpose, in the circumstances referred to in paragraph 70 of this judgment, even minimal use of the trade mark

can be sufficient to establish genuine use (order in *La Mer Technology*, paragraph 27).”

28) Taking account of this guidance it is clear that genuine use does not need to be quantitatively significant and that when asking if the use is sufficient it is necessary to assess all surrounding circumstances.

29) Yuksel’s applications were both published on 16 May 2008 and therefore the relevant period for the purposes of assessing genuine use of the earlier marks is 17 May 2003 to 16 May 2008. For the purposes of my considerations in respect to Section 5(2) (b) and Section 5(3) of the Act, such an analysis is required in respect of registration 2116350 and CTM 15594, as these marks were registered in 1998, some five years before the relevant period. In addition, for the purposes of considering the Section 5(3) grounds only, it is theoretically necessary to consider genuine use in respect of 2026917, however, as the specification of goods of this registration is wholly subsumed within the goods listed for CTM 15594, it does not advance Next’s case beyond how it exists in respect of this CTM. In its counterstatement, Yuksel requested that Next provide proof of use in respect of all its earlier marks except 2326404. However, Next is also not required to provide proof of use in respect of CTM 1620434 as it was registered in July 2003, which is also less than five years before the publication of the contested application.

30) To summarise, Next is required to demonstrate genuine use in respect of the following list of goods and services (as included in the specifications listed in registrations 2116350 and CTM 15594 insofar as they are not covered by one of Next’s registrations that is not subject to proof of use):

Class 3

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

Class 9

Spectacles; frames; lenses; contact lenses, chains for spectacles and sunglasses; parts and fittings for all the aforesaid goods.

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 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.

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.

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.

Class 25

Articles of clothing; footwear; headgear.

Class 27

Carpets; rugs; mats and matting; non-textile wall coverings; wall papers; wall paper borders.

31) Next has provided evidence to illustrate that the total business revenue for Next Group Plc, during that period, started at £2.2 billion rising to £3.3 billion in 2007 and that a very large majority of this relates to turnover relating to the NEXT brand. Advertising spend in the same period began at just under £5 million rising to nearly £47 million by 2007. Such figures point to a significant presence in the market place, but for the purposes of assessing genuine use it is necessary that I conduct a closer inspection of the nature of this use.

32) In her witness statement, Ms Noble states that Next “sells a wide variety of goods under the mark NEXT, which includes clothing, footwear, headgear, fashion accessories along with household goods, furniture and electrical goods.” She has provided numerous exhibits in support of this claim and in general terms it is clear from the information regarding turnover and the number of copies printed of the NEXT Directory that the goods contained in it are sold at a level that cannot be considered as “token”. The turnover figures provided are not broken down to every category, but even where turnover in respect of a specific group of goods is not itemised, I accept that their appearance in the NEXT Directory strongly infers sales at a quantity and over a time that clearly surmounts the hurdles required to demonstrate genuine use. With this in mind, I will consider the goods shown in the exhibits against each specification (as listed in paragraph 25 above). In doing so, I am mindful of the guidance provided by the courts that when considering what is a fair specification, the task should be carried out so as to reflect the circumstances of the particular trade and the way the public would perceive the use (*Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32). The public perception is relevant because the consumer must know the purpose of the description (*Animal Trade Mark* [2004] FSR 19). It is not necessary to determine precisely the extent of the protection afforded to the earlier mark by reference to the actual goods using the mark, but rather to ensure more generally that the earlier mark was actually used for the goods in respect of which it is registered (*Reckitt Benckiser (España), SL v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)* Case T-126/03).

33) In respect to the Class 3 goods listed, there is no evidence of Next selling soaps, essential oils or dentifrices, however there are a number of examples shown in the pages of the exhibited NEXT Directory of the mark NEXT being used on cosmetics such as perfumes, shower gels, after shaves, hair and body washes as well as deodorants and anti-perspirants. As such, I conclude that genuine use in the UK and during the relevant period has been demonstrated in respect of *cosmetics; perfumes; non-medicated toilet preparations; preparations for the hair; deodorants for use on the person.*

34) In respect to Next’s claim to genuine use in Classes 9, the contents page of the non-clothing sections of the NEXT Directory, dated Spring/Summer 2006 includes the heading “Glasses” under which page references are provided for “ready readers” and “prescription”. However, such a reference is insufficient for me to conclude that the mark NEXT is used in respect of these goods as the reference may relate to the retail of such goods bearing third party marks as is the case with the exhibited pages illustrating the sale of hi-fis and some kitchen electrical apparatus.

35) A number of the catalogues exhibited show unbranded ranges of lighting and lamps and one also shows light bulbs. I am prepared to accept that such goods will be identified by reference to the provider, namely NEXT. There is no

evidence that Next sells lamp bases, lamp shades or other parts of lighting and lamps and as such, I find that genuine use is demonstrated in respect of *lighting* and *lamps* only in Class 11.

36) Turning to Class 14, there are a number of examples exhibited showing watches bearing the NEXT mark offered for sale through the NEXT Directory. These exhibits are sufficient to demonstrate genuine use in respect of “watches” and *chronometric instruments*. These same exhibits also illustrate various items of unbranded costume jewellery and travel clocks. In line with my earlier comments, I find that this is sufficient to demonstrate genuine use of such goods. In summary, Next has demonstrated genuine use in respect of *watches*, *chronometric instruments*, *jewellery* and *clocks* insofar as its Class 14 goods are concerned.

37) In respect to Class 18, the exhibits illustrate leather travel wallets and passport covers for sale in the NEXT Directory and bearing the NEXT mark. In addition there are also numerous exhibits showing travel bags and suitcases. Therefore, I find that Next has demonstrated genuine use in respect of *goods made from leather and imitation leather, travelling trunks and suitcases; bags*.

38) Class 20 goods illustrated in the various copies of the NEXT Directory are cabinets and tables, beds, bedsteads sofas, duvets and cushions. Mattresses are also listed in the list of contents of the NEXT Directory dated Spring/Summer 2006. However, no illustration of the goods has been provided and it is not possible to ascertain if this merely relates to the retail of third parties’ goods or whether such mattresses are those of NEXT. In summary, Next has demonstrated genuine use in respect of *furniture, beds, bed heads, sofas, tables, duvets, cushions and bedding*.

39) Class 24 goods illustrated are *bed covers, bed linen, duvets and duvet covers, sheets, pillow cases, bed valances, curtains, blinds and towels*. Genuine use has therefore been demonstrated in respect of these goods.

40) In respect to Class 25, there are clear and numerous examples, in the copies provided of the Next Directory, showing the NEXT mark appearing upon women’s, men’s and children’s clothing as well as on footwear and hats. Therefore, I find that taking these exhibits together with Ms Noble’s statement and other information provided, that there has been genuine use in the UK and during the relevant period, in respect to *[a]rticles of clothing; footwear; headgear*.

41) Finally, in respect to Class 27, the exhibited pages from the NEXT Directory dated Spring/Summer 2005 and Spring/Summer 2006 illustrate Next offering rugs for sale. Similarly, in the NEXT Directory dated Autumn/Winter 2004, bath mats are offered for sale. I find that these exhibits are sufficient to demonstrate genuine use of the mark NEXT in respect of *rugs* and *mats*.

42) In summary, Next has demonstrated genuine use in the UK, during the relevant period, in respect of the following list of goods:

Class 3

Cosmetics; perfumes; non-medicated toilet preparations; preparations for the hair; deodorants for use on the person.

Class 11

Lighting, lamps

Class 14

Jewellery, clocks, watches and chronometric instruments.

Class 18

Goods made from leather and imitation leather, travelling trunks and suitcases; bags.

Class 20

Furniture, beds, bed heads, sofas, tables, duvets, cushions and bedding.

Class 24

Bed covers, bed linen, duvets and duvet covers, sheets, pillow cases, bed valances, curtains, blinds and towels.

Class 25

Articles of clothing; footwear; headgear.

Class 27

Rugs; mats.

43) The above list of goods is additional to the lists of goods and services covered by Next's earlier marks not subject to proof of use, namely:

2326404

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 1620434

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.*

Section 5(2)(b)

44) Section 5(2)(b) reads:

“(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.”

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

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

(a) a registered trade mark, international trade mark (UK), 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.”

46) All the marks relied upon by Next are earlier marks within the meaning detailed above.

47) In my consideration of a likelihood of confusion, I take into account the guidance from the settled case law provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] RPC 199, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] RPC 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] FSR. 77, *Marca Mode CV v Adidas AG & Adidas Benelux BV* [2000] ETMR 723, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* C-120/04 and *Shaker di L. Laudato & C. Sas v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) C-334/05 P (LIMONCELLO)*. It is clear from these cases that:

(a) the likelihood of confusion must be appreciated globally, taking account of all relevant factors; *Sabel BV v Puma AG*,

(b) the matter must be judged through the eyes of the average consumer of the goods/services in question; *Sabel BV v Puma AG*, who is deemed to be reasonably well informed and reasonably circumspect and observant - but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind; *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*,

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details; *Sabel BV v Puma AG*,

(d) the visual, aural and conceptual similarities of the marks must therefore be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components; *Sabel BV v Puma AG*,

(e) a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the goods, and vice versa; *Canon Kabushiki*

Kaisha v Metro-Goldwyn-Mayer Inc,

(f) there is a greater likelihood of confusion where the earlier trade mark has a highly distinctive character, either *per se* or because of the use that has been made of it; *Sabel BV v Puma AG,*

(g) in determining whether similarity between the goods or services covered by two marks is sufficient to give rise to the likelihood of confusion, the distinctive character and reputation of the earlier mark must be taken into account; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc,*

(h) mere association, in the sense that the later mark brings the earlier mark to mind, is not sufficient for the purposes of Section 5(2); *Sabel BV v Puma AG,*

(i) further, the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense; *Marca Mode CV v Adidas AG and Adidas Benelux BV,*

(j) but if the association between the marks causes the public to wrongly believe that the respective goods come from the same or economically linked undertakings, there is a likelihood of confusion within the meaning of the section; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*

(k) assessment of the similarity between two marks means more than taking just one component of a composite trade mark and comparing it with another mark; the comparison must be made by examining each of the marks in question as a whole, which does not mean that the overall impression conveyed to the relevant public by a composite trade mark may not, in certain circumstances, be dominated by one or more of its components; *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*

(l) it is only when all other components of a complex mark are negligible that it is permissible to make the comparison on the basis of the dominant element; *Shaker di L. Laudato & C. Sas v OHIM (LIMONCELLO)*

Comparison of goods

48) While Next relies upon a number of earlier marks, for the purposes of considering similarity of the respective goods and services I will treat these goods and services (as identified in my paragraphs 41 and 42 above) as a single, homogenous list.

49) In assessing the similarity of goods, it is necessary to apply the approach advocated by case law and all relevant factors relating to the respective goods and services should be taken into account in 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.’

50) Other factors may also be taken into account such as, for example, the distribution channels of the goods concerned (see, for example, *British Sugar Plc v James Robertson & Sons Limited (TREAT)* [1996] RPC 281).

51) For convenience, the respective lists of goods and services are reproduced below:

Next's Goods and services	Yuksel's goods
<p>Class 3: <i>Cosmetics; perfumes; non-medicated toilet preparations; preparations for the hair; deodorants for use on the person.</i></p> <p>Class 9: <i>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.</i></p> <p>Class 11: <i>Lighting, lamps</i></p> <p>Class 14: <i>Jewellery, clocks, watches and chronometric instruments.</i></p> <p>Class 18: <i>Goods made from leather and imitation leather, travelling trunks and suitcases; bags.</i></p> <p>Class 20: <i>Furniture, beds, bed heads, sofas, tables, duvets, cushions and bedding.</i></p>	<p>Class 7: <i>Machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs.</i></p> <p>Class 9: <i>Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus; satellites, satellite systems,</i></p>

Class 24: *Bed covers, bed linen, duvets and duvet covers, sheets, pillow cases, bed valances, curtains, blinds and towels.*

Class 25: *Articles of clothing; footwear; headgear.*

Class 27: *Rugs, mats.*

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*

satellite receivers.

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

<p><i>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.</i></p>	
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Yuksel's Class 7 goods

52) At the hearing, Mr Silcock considered that Next's best case lay with a conflict against its retail of household articles because such articles include hand tools and because motors and engines can be parts of household articles. In considering this argument, I am mindful of the way that specifications, in particular in relation to services, should be interpreted. In *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd*, at paragraph 31, Aldous LJ stated:

“In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use”

Although this was in the context of arriving at a fair specification consequent to an attack of revocation on the grounds of non-use, the principle that it is the public and circumstances of the relevant trade that is important when considering the scope of terms. Further, guidance is provided in *TREAT* where Jacob J stated that “construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of trade”.

53) Applying this guidance to the current circumstances, the term “household articles” will be understood by the public as relating to articles for use around the house. To this end, insofar as the term may include “handheld tools” these will be for light household tasks such as changing a plug. The relevant consumers of such goods will be ordinary members of the public. Yuksel's goods, on the other hand, are goods used in industry and/or tools that are more heavy duty in nature. As such, we are not considering the “machine” equivalent of a “hand held tool” and even where this may be the case, the type of use will be different, one being used in an industrial environment, the other used in a household environment. This view is reinforced in Next's evidence where the few instances of such hand tools show a “Micro Tool And LED Light”, a “Multi-function Penknife” and a “20-In-1 Penknife”. These goods are far removed from Yuksel's “[m]achine tools,

motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles)”.

54) In summary and taking the above into account, I find that if there is any similarity between the retail of household articles and Yuksel’s “[m]achine tools, motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles)”, then that similarity is very low.

55) I note that the evidence also shows Next retailing a “Car Tool Kit” and a “Bike Tool Set”. These may be marginally more similar to Yuksel’s goods than those goods discussed above, but they are not covered by the term “household articles” as they are not designed to be used for “household” tasks, but rather tasks specific to car and bike maintenance. As such, they are not covered by any of the specifications of Next’s earlier marks.

56) Finally, in respect to Yuksel’s “*agricultural implements other than hand-operated; incubators for eggs*”, these are clearly not household articles and as such can have no similarity to Next’s goods and services.

Yuksel’s Class 9 goods

57) Two of Next’s earlier rights, namely 2326404 and CTM 1620434 are not subject to the proof of use provisions. The former includes “[s]unglasses, calculators, cameras, cassette players, compact disc players, computer games, weighing machines” and the latter includes “Retail services in the field of ...electrical products, eye ware [and] cameras”. The General Court (“GC”), in *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM) Case T-133/05*, at paragraph 29, stated:

“In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM – Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark (Case T-104-01 *Oberhauser v OHIM – Petit Liberto (Fifties)* [2002] ECR II-4359, paragraphs 32 and 33; Case T-110/01 *Vedial v OHIM – France Distribution (HUBERT)* [2002] ECR II-5275, paragraphs 43 and 44; and Case T-10/03 *Koubi v OHIM – Flabesa (CONFORFLEX)* [2004] ECR II-719, paragraph 41 and 42).”

58) With this guidance in mind, it is clear that:

- Next’s [s]unglasses are included within Yuksel’s broad term *optical apparatus and instruments*;

- Next's *calculators* are included within Yuksel's *calculating machines*;
- Next's *cameras* are included within Yuksel's *photographic [and] cinematographic apparatus and instruments*;
- Next's *cassette players* and *compact disc players* are included within Yuksel's *apparatus for reproduction of sound or images*;
- Next's *weighing machines* are goods for measuring and as such are identical to Yuksel's *measuring apparatus and instruments*.

59) All of the above goods are therefore identical within the meaning identified in *MERIC*.

60) Further, Next's *weighing machines* are also clearly identical to the term *weighing [...] apparatus and instruments* in Yuksel's specification.

61) Mr Silcock contended that Yuksel's goods were similar to a number of Next's goods. Further, he also contended that Next's "[r]etail services in the field of [...] household articles [and] electrical products" includes the retail of all of Yuksel's goods. I obtain guidance on the level of similarity between goods and the retail of the same goods from the ECJ in *Praktiker Bau- und Heimwerkermärkte C-418/02*. At paragraph 34 the ECJ identified that the objective of the retail trade is the sale of goods to consumers and that this includes, in addition to the legal sales transaction, all activity carried out by the trader for the purpose of encouraging the conclusion of such a transaction. When comparing the remaining goods in Yuksel's Class 9 specification with Next's earlier marks, I will keep in mind this definition.

62) In respect of Yuksel's *[s]cientific, nautical, surveying, signalling, checking (supervision), [...] apparatus and instruments*, Mr Silcock contended that these are similar to *clocks, watches and chronometric instruments, time recording devices, calculators, electronic organisers, cameras, computer peripheral devices and weighing machines*. However, on an ordinary reading of Yuksel's goods, the terms will be understood as describing specialist items. It is possible that some of Next's goods, such as time recording devices, may have a more specialist application, but generally its terms are describing consumer articles. As such, whilst there may be some similarity of nature, their intended purpose, method of use and trade channels will be different and neither can they be described as being in competition or complementary to each other where there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for the production of those goods lies with the same undertaking: *Sergio Rossi SpA v OHIM (SISSI ROSSI)*, Case T-169/03 and *Boston Scientific Ltd v OHIM*, Case T-325/06. Mr Silcock also contended that Yuksel's goods are

similar to Next's *retail services in the field of household articles, electronic products and kitchenware*. I remain unpersuaded by this argument. Yuksel's goods have specialist applications i.e. in science, shipping, surveying etc., and they are not household in nature. Whilst they may sometimes be electronic, to consider that Next's retail services relating to "electronic products" would cover such specialist goods is not a natural understanding of the phrase and would not be consistent with the guidance provided in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd*. Taking all of these factors into account, I find there is only a very limited level of similarity between the respective goods and services.

63) In respect of Yuksel's *life-saving [...] apparatus and instruments and teaching apparatus and instruments*, Mr Silcock relied upon an alleged similarity with Next's retail services. However, Yuksel's goods are not obviously electronic or household in nature and as such, and in the absence of evidence to the contrary, I find that there is no similarity to Next's retail services.

64) Next has presented evidence illustrating its sale of light switches, plug adaptors and mobile phone chargers. Such goods show how Next's retail services of electronic products can include the retail of goods that are included in Yuksel's *apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity*. I therefore find that these goods share a high level of similarity and may, in certain instances be identical goods.

65) Yuksel's *apparatus for recording, transmission of sound or images and satellite systems, satellite receivers* includes such goods as cassette recorders, radios, DVD players and recorders which the relevant consumer will naturally describe as "electronic products" and therefore Yuksel's application includes the same goods that Next sells as part of its retail services. Further, goods with the purpose of recording and transmitting sounds and images are similar to goods that reproduce the same, such as cameras and compact disc players covered by one Next's earlier marks. Taking all of this into account, I conclude that there is a reasonably high level of similarity between Yuksel's goods and Next's goods and retail services.

66) In respect of Yuksel's *magnetic data carriers, recording discs*, Mr Silcock argued that, amongst others, these are similar to Next's *cassette players and compact disc players*. I agree that there is a reasonably high level of similarity as Yuksel's goods are designed to be used with Next's goods and are complimentary in the sense set out in *SISSI ROSSI*.

67) I turn to consider Yuksel's *automatic vending machines, fire-extinguishing apparatus; satellites*. These are all specialist goods that are not obviously electrical in nature and will involve purchases by specialist trade buyers. Despite Mr Silcock's submission that such goods are similar to the retail of household articles and electrical products, applying the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd*, I do not share this view. These goods appear to be

either mechanical in nature (in respect of *fire-extinguishing apparatus*) or of such a high-cost specialist nature (*satellites*) that they cannot be covered by the natural meaning attributed to *household articles* and to *electrical products*. Neither can I see that there is any similarity within the meaning set out in *Canon*. In summary, I conclude that, when compared to Next's retail services, there is no similarity.

68) Next's goods include *computer games*. Such games could be in the form of arcade computer games where a part of such games could be *mechanisms for coin-operated apparatus* as covered in Yuksel's specification. Therefore there is at least some similarity. Nevertheless, this similarity is on the low side because Yuksel's goods are only a part for such a game making them complementary in the sense expressed in *SISSI ROSSI*, but being different in nature and intended purpose.

69) Mr Silcock argued that Yuksel's *cash registers* are similar to Next's *calculators, electronic organisers, computer peripheral devices and radios*. I agree that Yuksel's term is similar to Next's *calculators* as both are used for accounting purposes and some calculators can also print receipts in the same way as cash registers. As such, they share a reasonably high level of similarity.

70) Finally, in respect to Yuksel's *data processing equipment and computers*, Mr Silcock contended that Yuksel's term covers goods that are similar to *calculators, electronic organisers and computer peripheral devices* as well as Next's retail services. I agree that computer peripheral devices, in particular, can be *data processing equipment* and as such they share a high degree of similarity with Yuksel's goods.

Yuksel's Class 11 goods

71) Applying the guidance from *MERIC*, it is clear that Yuksel's *apparatus for lighting* and Next's *lighting* and *lamps* are identical goods.

72) In respect to Yuksel's remaining goods, namely *apparatus for heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes*, Mr Silcock contended that these are similar to Next's *retail services in the fields of household [...] articles [and] electrical apparatus*. Taking account of the guidance in *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* and *TREAT*, it is clear that certain household articles and electrical apparatus can include goods for the purposes of steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes. Support for this view is provided in Next's evidence that illustrates a number of goods such as electric fires, steamers (for cooking), toasters, fridges, electric fans, towel radiators, water taps, basins and toilet seats. These may be described as household articles and/or electrical apparatus. As such, I conclude that there is a reasonable high level of similarity between these goods and services.

The average consumer

73) 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 the average consumer is for the goods and services at issue. The majority of Next's goods can be described as common consumer goods that, whilst they may not be everyday purchases, they are not at the high end of cost scale. Nevertheless, many of these goods are fashion items, such as clothing, jewellery and sunglasses where the consumer will make a relatively well considered purchase based upon style, quality and value for money.

74) Other goods claimed by Next, whilst also being aimed at the general public, will be purchased only occasionally. Included in this category will be goods such as furniture, lighting, cameras, watches and radios. However, the cost may not be higher than for its clothing, jewellery and other fashion items. When considering the purchasing act in respect to such goods, I am mindful of the comments of the GC in *Inter-Ikea Systems BV v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* (Case T-112/06) where it 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).”


75) As such, the purchasing act will involve a higher level of attention than normal. Nevertheless, it will not involve the highest degree of care and attention as would be the case when purchasing high cost goods such as a car.

76) In respect to Yuksel's goods, the broad terms contained within its specifications cover a wide spectrum of goods. These terms include goods sold to the general public such as cameras, as covered by its term *photographic apparatus* and weighing scales, as covered by its term *weighing apparatus*. Here, the nature of the purchasing act will be reasonably well considered, but not the highest level in the same way as for many of Next's goods. Yuksel's broad terms also contain more specialist goods such as scientific and surveying apparatus, automatic vending machines and cash registers where the relevant

consumer will be by trade buyers or at least specialists who will have a greater knowledge of the relevant field. Further, the cost of these goods is often, but not always, relatively high and may include very high cost items. As such, the purchasing act will generally be more highly considered compared with when purchases of consumer products by the general public.

Comparison of marks

77) For ease of reference, the respective marks are:

Opponent's trade mark	Applicant's trade marks
<p>NEXT</p>	<p>Next & Nextstar</p> 

78) When assessing the extent of similarity between the respective trade marks, I must do so with reference to their visual, aural and conceptual similarities bearing in mind their distinctive and dominant components (*Sabel BV v. Puma AG*, para 23).

79) I shall begin by considering the similarity between Next's marks and Yuksel's word mark. From a visual perspective, Next's mark (being that is the same in all its earlier registrations) consists of the single four letter word NEXT. Yuksel's mark consists of the words NEXT and NEXTSTAR separated by an ampersand. There is a clear visual similarity between the marks in that they all share the word NEXT. In Yuksel's mark, it appears at the front of the mark and also as the first syllable of the third element. The points of difference are that Yuksel's mark consists of three elements, the second being an ampersand that is not present in Next's marks. The third element is the word NEXTSTAR, again not present in Next's marks, even though the first part is a tautology of Next's marks. As a result Yuksel's mark is, visually, significantly longer than Next's marks. In Next's mark the only element is the word NEXT and therefore it is the only dominant element. In Yuksel's mark the word NEXT and the word NEXTSTAR are equally dominant. Taking all these factors into account, I conclude that the respective marks share a moderate high level of visual similarity.

80) From an aural perspective, Next's marks are pronounced neh-ecks-t. The same pronunciation applies to the same word in Yuksel's mark and to the first part of the third element of its mark. The ampersand will be understood and said as "and" whilst the STAR part of the final element will be pronounced st-arr. Therefore, when viewed as a whole, Yuksel's mark is aurally longer, but the word NEXT is prominent in the pronunciation on two occasions. Taking all these points into account, I find that the respective marks share a moderately high level of aural similarity.

81) Turning to the consideration of conceptual similarities and differences, it is useful to begin by understanding the meaning of NEXT. This is defined as "coming immediately after the time of writing or speaking", "(of an event) occurring directly after the present one in time" or as a noun to mean "the next person or thing"¹. Therefore, the word NEXT is a known dictionary word, however, when used without reference to an object as it is in Next's marks its contextual meaning is somewhat impenetrable. The same can be said of the first occurrence of the word NEXT in Yuksel's mark. Here it is separated from the other dominant element of the mark by the ampersand, once again making this part of the mark without object and suggesting that it is serving as a noun. In the second dominant element of Yuksel's mark, the word NEXT does have an object, namely the word STAR and this point is made by Yuksel in its counterstatement, where it concludes that the word "next" is merely a qualifying word for the dominant word "star". I do not agree that "star" is the dominant part. As I have already discussed, the word "star" alone is not the dominant element of the mark, but that together with the conjoined word "next" the two words form one of two equally dominant elements.

82) Whilst I do not accept the argument that the word "star" is the dominant element of Yuksel's mark, I do agree that the word "next" qualifies the word "star" in that the term can be understood as something described as a "star" following on directly after the current "star". The mere fact that these two words are conjoined does not detract from such a meaning. "Star" can mean "an outstanding person or thing"² and as such the term NEXTSTAR can be understood as meaning the next outstanding thing or person.

83) Taking all of this together and considering the respective marks as a whole, insofar as Next's mark has a conceptual meaning, this is shared by the first element of Yuksel's mark, but there is no obvious concept to Yuksel's mark when viewed as a whole. This lack of a clear conceptual meaning and the use of the ampersand gives the two dominant elements of Yuksel's mark a degree of

¹ "next adj." *The Concise Oxford English Dictionary*, Twelfth edition . Ed. Catherine Soanes and Angus Stevenson. Oxford University Press, 2008. *Oxford Reference Online*. Oxford University Press. Intellectual Property Office. 21 May 2010 <<http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t23.e37937>>

² "star n." *The Concise Oxford English Dictionary*, Twelfth edition . Ed. Catherine Soanes and Angus Stevenson. Oxford University Press, 2008. *Oxford Reference Online*. Oxford University Press. Intellectual Property Office. 21 May 2010 <<http://www.oxfordreference.com/views/ENTRY.html?subview=Main&entry=t23.e54955>>

independence and as one of these elements and part of the second element are identical to Next's marks, there is some similarity and I conclude, taking all the factors into account, that this is at a moderate level.

84) In making this comparison, I am also mindful of the guidance given by the ECJ in *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH* that assessment of similarity means more than taking just one component of a composite trade mark and comparing it with another mark and also in *Shaker di L. Laudato & C. Sas v OHIM* that only if other components are negligible is it permissible to make the comparison on the basis of the dominant element. In this case, the dominant element in the earlier marks is the word NEXT and that the equally dominant elements of Yuksel's mark are NEXT and NEXTSTAR and where the ampersand is negligible.

85) In summary, I find that there is a moderately high level of visual and aural similarity and a moderate level of conceptual similarity between Next's marks and Yuksel's word mark and that this results in a moderately high level of similarity overall.

86) In respect of Yuksel's word and device marks, it points out in its counterstatement that the device element is, in fact, a map of Turkey and argues that this is one of the "dominant themes" of its marks. However, the relevant consumer in the UK will not identify this device as such. Rather, it will be perceived as an abstract background to the word elements of the marks. Whilst not negligible (in the sense identified in *LIMONCELLO*) it does not impact upon the aural or conceptual considerations that I discussed above in relation to Yuksel's word mark. It does, however, impact upon the consideration of visual similarity, as does the rectangular shaped border in that they are non-verbal elements of Yuksel's mark that are not contained in Next's mark. Set against these differences is the fact that the word elements retain a dominance in the marks. Taking all of this into account, and also taking account that one of Yuksel's marks is in colour, I find that they share a moderate level of similarity with Next's marks.

87) In summary, with respect to Yuksel's word and device marks, I find that there is a moderately high level of aural similarity, and a moderate level of visual and conceptual similarity combining to give the marks a moderate level of similarity overall.

Distinctive character of the earlier trade mark

88) I have to consider whether Next's marks have a particularly distinctive character, either arising from the inherent characteristics of the marks or because of the use made of them. They all consist of the single word NEXT. This has a clear meaning in English, as already identified above, but in respect of the

relevant goods and services, it has no obvious connection. As such, the marks enjoy a reasonably high degree of inherent distinctive character.

89) I must also consider the effect of reputation on the global consideration of a likelihood of confusion under Section 5(2)(b) of the Act. This was considered by David Kitchen Q.C. sitting as the Appointed Person in *Steelco Trade Mark* (BL O/268/04). Mr Kitchen concluded at paragraph 17 of his decision:

“The global assessment of the likelihood of confusion must therefore be based on all the circumstances. These include an assessment of the distinctive character of the earlier mark. When the mark has been used on a significant scale that distinctiveness will depend upon a combination of its inherent nature and its factual distinctiveness. I do not detect in the principles established by the European Court of Justice any intention to limit the assessment of distinctiveness acquired through use to those marks which have become household names. Accordingly, I believe the observations of Mr. Thorley Q.C in *DUONEBS* should not be seen as of general application irrespective of the circumstances of the case. The recognition of the earlier trade mark in the market is one of the factors which must be taken into account in making the overall global assessment of the likelihood of confusion. As observed recently by Jacob L.J. in *Reed Executive & Ors v Reed Business Information Ltd & Ors*, EWCA Civ 159, this may be particularly important in the case of marks which contain an element descriptive of the goods or services for which they have been registered. In the case of marks which are descriptive, the average consumer will expect others to use similar descriptive marks and thus be alert for details which would differentiate one mark from another. Where a mark has become distinctive through use then this may cease to be such an important consideration. But all must depend upon the circumstances of each individual case.”

90) I will consider Next’s marks as a homogenous whole when considering the effect of reputation. Next has illustrated significant use of its marks in respect of clothing, headwear, footwear and the retail of the same. In respect of these goods and services, the marks enjoy a significantly enhanced distinctive character. In addition to this, it has also shown notable, but less significant, use in respect to costume jewellery, kitchenware, furniture and household and electrical items and a small range of light hand-tools as well as the retail of the same. Thus, in respect of these goods, the marks also enjoy an enhanced distinctive character.

Likelihood of confusion

91) I must adopt the global approach advocated by case law and take into account that marks are rarely recalled perfectly with the consumer relying instead

on the imperfect picture of them he has in kept in his mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27).

92) Mr Silcock urged me to consider that the proper test for likelihood of confusion is whether there is a probability of such. In support of this contention, he directed me to the comments of Lindsey J. in *esure Insurance Ltd v Direct Line Insurance plc* [2008] RPC 6 143 (Ch). I do not believe this point to be determinative and as such, I do not intend to consider this point in any detail other than to say that the comment of Lindsey J. that the test “requires no more than that there is a real prospect that [...] confusion [...] should exist” appears, in practice, no different to a “likelihood” of confusion and it is this latter description that is used in the Act and that I will consider here.

93) Mr Silcock contended that there were two possible types of confusion. Firstly, that Yuksel’s marks will be regarded as indicating a sub-brand of Next’s or that, secondly they will be perceived as indicating that Next has entered into some association with another organisation called NEXTSTAR. As a result, he submits that there is a real risk of indirect confusion in that the whilst the marks may not be confused directly, there will be an assumption made by the relevant consumer that goods and services provided under the respective marks originate from the same or linked undertakings. Mr Silcock further supported his argument by drawing my attention to the fact that there is no strong conceptual difference to offset the aural and visual similarities. I concur with these submissions. The marks share a moderately high level or a moderate level of similarity and Next’s marks enjoy an enhanced level of distinctive character in respect to some goods including kitchenware and household electrical items and light hand-tools as well as in respect to its retail services. Taking these factors together, I find that insofar as Yuksel’s goods are identical to, or share a reasonably high level or high level of similarity to Next’s goods, there is a likelihood of confusion.

94) In summary, Next is successful in its opposition based upon Section 5(2)(b) of the Act insofar as the following goods covered by Yuksel’s applications:

Class 9

[...], photographic, cinematographic, optical, weighing, measuring, [...] apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; [...]; cash registers, calculating machines, data processing equipment and computers; [...], satellite systems, satellite receivers.

Class 11

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

Section 5(4)(a)

95) Section 5(4) (a) of the Act reads as follows:

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

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

96) The requirements for this ground of opposition have been restated many times and can be found in the decision of Mr Geoffrey Hobbs QC, sitting as the Appointed Person, in *WILD CHILD Trade Mark* [1998] R.P.C. 455. Adapted to opposition proceedings, the three elements that must be present can be summarised as follows:

(1) that the opponents’ goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the applicant (whether or not intentional) leading or likely to lead the public to believe that goods or services offered by the applicant are goods or services of the opponents; and

(3) that the opponents have suffered or are likely to suffer damage as a result of the erroneous belief engendered by the applicant’s misrepresentation.

97) To the above I add the comments of Pumfrey J (as he then was) in the *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* case [2002] RPC 19, in which he said:

“27. There is one major problem in assessing a passing off claim on paper, as will normally happen in the Registry. This is the cogency of the

evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the Registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under Section 11 of the 1938 Act (See *Smith Hayden (OVAX)* (1946) 63 RPC 97 as qualified by BALI [1969] RPC 472). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed at the relevant date. Once raised the applicant must rebut the prima facie case. Obviously he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of possibilities that passing off will occur.”

The Relevant Date

98) The relevant date for determining the opponent's claim will be the filing date of the application in suit (*Last Minute Network Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)*, Joined Cases T-114/07 and T-115), that is to say 17 July 2006. The earlier right must have been acquired prior to that date (Article 4.4(b) of First Council Directive 89/104 on which the UK Act is based).

Goodwill

99) I must first assess if the opponent has acquired any goodwill and if so, what is the extent of this goodwill at the relevant date. Goodwill was described by Lord Diplock in *Star Industrial Co Ltd v Yap Kwee Kor* [1976] FSR 256 in the following way:

“A passing-off action is a remedy for the invasion of a right of property not in the mark, name or get-up improperly used, but in the business or goodwill likely to be injured by the misrepresentation made by passing-off one person's goods as the goods of another. Goodwill, as the subject of proprietary rights, is incapable of subsisting by itself. It has no independent existence apart from the business to which it is attached”

Lord MacNaughton, as long ago as 1901, described it as “the attractive force that brings in custom” (*Inland Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 HL (E)).

100) Next claims goodwill identified by the sign NEXT and I have already considered the nature and extent of its use earlier in this decision. In summary, I have found that Next is a well established business with a very significant turnover resulting from its retail business and the sale of goods under the mark NEXT. The extent of this business goes beyond those goods and services relied upon for the purposes of Section 5(2)(b) and I will focus my analysis here only on where Next's case improves upon its case under Section 5(2)(b).

101) Next's evidence illustrates use of its sign in respect of a number of goods that are not covered by any of Next's earlier marks relied upon under Section 5(2) (b). In particular, the evidence shows use in respect of electric fires, steamers (for cooking), toasters and smoothie makers, refrigerators, electric fans, water taps, showers, radiators, sinks, toilet seats, car tool kits and bike tool kits. The scale of use is not specifically stated in the evidence, but they appear in the NEXT Directory that has a print run of two million copies and Next also provides a breakdown of its turnover showing that 11% of its significant turnover is attributed to "other goods [other than men's, women's and children's wear], including household goods. Taking all of this together, it illustrates that there is a protectable goodwill in respect of these goods, even if it is not quite as substantial as for its core clothing goods.

102) In summary, I conclude that Next has demonstrated the existence of goodwill, not only in the goods and services for which I found genuine use earlier in this decision, but also other goods and, of particular significance, in respect of electric fires, steamers (for cooking), toasters and smoothie makers, refrigerators, electric fans and water taps, showers, radiators, sinks and toilet seats, car tool kit and bike tool kits.

Misrepresentation and damage

103) Having reached this conclusion, I must go on to consider if there has been misrepresentation and whether any such misrepresentation is such as to cause damage to the opponent. In this respect, I am mindful of the comments of Morritt L J in the Court of Appeal decision in *Neutrogena Corporation and Anr. V Golden Limited and Anr.* [1996] RPC 473 when he confirmed that the correct test on the issue of deception or confusion was whether, on the balance of probabilities, a substantial number of members of the public would be misled into purchasing the applicant's products in the belief that it was the opponent's. Further, Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 HL, stated that the opponent must show that "he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill".

104) In the current case, both Next's and Yuksel's marks either consist of or contain the word NEXT and I found earlier, that in respect of identical, reasonably highly similar or highly similar goods and services there was a likelihood of confusion. Further, applying the principle set out in *MERIC*, it is self evident that

electric fires and radiators identical goods to Yuksel's *apparatus for heating*, that *towel radiators* are identical to Yuksel's *apparatus for drying*, that *steamers (for cooking)* are identical to Yuksel's *apparatus for steam generating*, that *toasters and smoothie makers* are identical to Yuksel's *apparatus for cooking*, that *refrigerators* are identical to Yuksel's *apparatus for refrigerating*, that *electric fans* are identical to Yuksel's *apparatus for ventilating* and *water taps, showers sinks and toilet seats* are identical to Yuksel's *apparatus for water supply and sanitary purposes*.

105) Taking this into account, people familiar with Next's goods and services would expect goods under Yuksel's marks to be supplied by the same or linked undertaking. As such, I conclude that there is a real likelihood of deception amongst a substantial number of the relevant public, being UK ordinary consumers in respect of Yuksel's [*a]pparatus for heating, steam generating, cooking, refrigerating, drying, ventilating, water supply and sanitary purposes* in Class 11.

106) Mr Silcock also identified *car tool kits* and *bike tool kits*, as illustrated in the exhibited copies of the NEXT Directory, as being close enough to Yuksel's Class 7 goods, particularly *machine tools, motors and engines*. However, Next's goods are not heavy duty tools but rather, light duty in nature designed in a format that would appeal as a man's gift, for example, the car tool kit is in the form of a torch that opens to reveal the tools inside. Further they are sold in a high street retail environment or the associated catalogue or website. Taking all of this into account, the evidence falls short of illustrating that Next's sale of these goods is such that a substantial number of the relevant public would be deceived into believing that Yuksel's Class 7 goods were those of Next.

107) The business footprint of Next is truly national with its 500 retail stores covering the whole of the UK. As such, it increases the likelihood that Yuksel's goods, even if of a more limited geographical scope, will occupy at least an overlapping footprint and possibly an identical footprint. Taking all this into account and considering the identity between the respective goods and the reasonably high level of similarity between the marks, I conclude that Next's goodwill will be damaged in that, if Yuksel's goods are unsatisfactory in anyway, this will result in the public avoiding Next's goods in the mistaken belief that it was also responsible for Yuksel's goods. Further, Next may lose business to Yuksel again because of the existence of a mistaken belief that Yuksel's goods are in fact those of Next. It would therefore be deprived of its benefits. There is, however, no evidence that the misrepresentation is intentional but as Mr Hobbs QC stated in *WILD CHILD*, there is no requirement for this to be so.

108) This being the case, Next case against many of Yuksel's Class 11 goods is stronger here than under its Section 5(2) (b) grounds, where it was necessary for it to rely upon certain retail services being similar to Yuksel's goods. Here, it can

rely on identical goods not covered by its earlier marks but in which it has demonstrated goodwill.

109) In summary, I find that Next case is stronger than its case in respect of the following of Yuksel's Class 11 goods:

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

110) However, its case in respect to all of Yuksel's other goods is no better than its case already considered under Section 5(2) (b).

Section 5(3)

111) It remains for me to consider the ground for opposition under Section 5(3) of the Act and whether Next will be any better off in respect to these grounds compared to its position based upon Section 5(2) (b) and Section 5(4) (a) of the Act. It is helpful at this stage to identify Yuksel's goods that have survived my findings relating to these other grounds. These are:

Class 7

Machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs.

Class 9

Scientific, nautical, surveying, [...] signalling, checking (supervision), life-saving and teaching [...] apparatus and instruments; [...] automatic vending machines and mechanisms for coin-operated apparatus; [...]; fire-extinguishing apparatus; satellites, [...].

112) None of these goods are identical or even similar to Next's goods and services significantly they are all of a specialist nature and are sold predominantly to specialist individuals or businesses. Next, on the other hand, has a reputation in the field of consumer goods and high street retail services. Such a dichotomy between the respective goods and services may not be sufficient to prevent a link (within the meaning set out in *Adidas Salomon AG v Fitnessworld Trading Ltd.* [2004] ETMR 10 and *Intel Corporation Inc. v CPM United Kingdom Ltd (INTEL)* [2009] RPC 15) but I am unable to see how any unfair advantage would be taken of Next's reputation or its earlier marks or how use of Yuksel's marks in respect to these remaining goods would result in any detriment to the distinctive character or repute of Next's earlier marks. Further guidance in *INTEL* requires that I must take into account all factors relevant to the circumstances of the case. In doing so, I conclude that the dissimilarity

between the respective goods and services, the different consumers involved and the reasonably high level of similarity between the marks but the lack of likelihood of confusion in respect of these remaining goods are all factors combine to result in that there is no detriment to, or unfair advantage taken of the repute or distinctive character of Next's marks.

113) As such, Next's case is not furthered beyond its partial success under its Section 5(2)(b) and Section 5(4)(a) grounds.

Summary of findings

114) To summarise, Next is successful insofar that Yuksel's applications are refused in respect of the following goods:

Class 9

[...] photographic, cinematographic, optical, weighing, measuring, [...] apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; [...] cash registers, calculating machines, data processing equipment and computers; [...] satellite systems, satellite receivers.

Class 11

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

115) Yuksel's applications survive insofar as they relate to the following goods:

Class 7

Machine tools; motors and engines (except for land vehicles); machine coupling and transmission components (except for land vehicles); agricultural implements other than hand-operated; incubators for eggs.

Class 9

Scientific, nautical, surveying, [...] signalling, checking (supervision), life-saving and teaching apparatus and instruments; [...] automatic vending machines and mechanisms for coin-operated apparatus; [...] fire-extinguishing apparatus; satellites.

COSTS

116) As both parties have achieved a measure of success, they should bear their own costs. I therefore decline to make an order of costs.

Dated this 18 day of June 2010

**Mark Bryant
For the Registrar,
the Comptroller-General**