

O-330-03

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION No. 2268553  
BY GILL KNITWEAR TO REGISTER THE TRADE MARK TEXT  
IN CLASS 25**

**AND**

**IN THE MATTER OF OPPOSITION No. 90399  
BY NEXT RETAIL LIMITED**

## **TRADE MARKS ACT 1994**

**IN THE MATTER OF Application No. 2268553  
by Gill Knitwear to register the Trade Mark TEXT in Class 25**

**and**

**IN THE MATTER OF Opposition No. 90399  
by Next Retail Limited**

### **Background**

1. On 27 April 2001 Gill Knitwear applied to register the mark TEXT for “clothing, footwear and headgear” in Class 25. The application is numbered 2268553.
2. On 10 September 2001 Next Retail Limited filed notice of opposition to this application. They are the proprietors of UK and CTM registrations in Class 25 consisting of, or incorporating, the word NEXT. Brief details are contained in the Annex to this decision. It will suffice for present purposes to refer to No. 2026917 which is for the mark NEXT solus and covers precisely the same goods as the specification of the mark applied for. On the basis of these circumstances the opponents suggest there is a likelihood of confusion and object under Section 5(2)(b) of the Act.
3. They also say that they have made extensive use of the mark NEXT and have a reputation therein. On this basis they also raise objection under Section 5(4)(a) in that the mark applied for “contains the word TEXT which when presented in a certain style of lettering” causes a risk of passing off.
4. The applicants filed a counterstatement denying the above grounds. They concede that the opponents have used the trade mark NEXT but deny that they had a sufficient reputation to found a claim in passing off at the date when the applicants commenced use or at the application filing date.
5. Both sides ask for an award of costs in their favour.
6. Both sides filed evidence. Neither side has asked to be heard. Written submissions have been received from Serjeants on behalf of the applicants (under cover of their letter of 5 September 2003). Acting on behalf of the Registrar and with this material in mind I give this decision.
7. The primary ground of objection is under Section 5(2) of the Act. This reads:

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

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

- (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.”

8. Sub-paragraph (b) applies here. The marks relied on by the opponents are all earlier trade marks within the meaning of Section 6(1)(a) of the Act.

9. I take account of the guidance provided by the European Court of Justice (ECJ) in *Sabel BV v Puma AG* [1998] E.T.M.R. 1, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* [1999] R.P.C 117, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* [2000] F.S.R. 77 and *Marca Mode CV v Adidas AG* [2000] E.T.M.R. 723.

### **Comparison of goods**

10. Taking UK registration No. 2026917 (for the word NEXT solus) as my starting point there can be no doubt that identical goods are involved.

### **Distinctive character of the opponents' earlier trade marks**

11. The distinctive character of a mark is a factor to be taken into account (*Sabel v Puma*, paragraph 23). That character can be either inherent or acquired (*Sabel v Puma*, paragraph 24). The opponents' mark, NEXT, is a well known dictionary word. As an unused mark it would be unlikely to command a high degree of distinctive character. As Exhibits WRB 2 and 6 suggest, it readily lends itself to word plays and straightforward usages such as “What's Next for ....” (Exhibit WRB 2).

12. The opponents have filed a statutory declaration by William Robert Barnes, their Company Secretary, evidencing use of their mark (with Exhibits WRB 1 to 7). Next is by any standard a familiar name on British high streets. The evidence is that they have over 300 stores spread throughout the UK. The brand quickly developed from its starting point of selling women's fashion wear (1982) to menswear (1984) interior design products (1985), cosmetics, lingerie, belts, bags, jewellery and watches (1986) and children's wear (1987). In addition to the high street shops, the opponents have offered a mail order and home shopping business since 1988 and, more recently, an internet site from which NEXT goods can be purchased. Mr Barnes exhibits copies of Next Plc's annual report and accounts showing that turnover has increased significantly over the past ten years and has been in excess of £1 billion per annum in the years immediately preceding the relevant date in these proceedings. Copy extracts from the company's catalogues along with advertisements, articles and press features are exhibited. Substantial sums have been spent on promoting the NEXT marks - £236,622, for instance, in 2000, the last full year before the relevant date.

13. I note that the applicants' written submissions (in dealing with costs) suggest that the opponents filed a great deal of evidence in relation to proving their reputation "which was not in dispute". I will return to this when I deal with costs. Suffice to say at this point that the applicants' written submissions acknowledge what I think, must be an inescapable conclusion that the NEXT mark has achieved a high degree of recognition. In *DUONEBS Trade Mark*, BL O/048/01, Mr S Thorley QC, sitting as the Appointed Person, in dealing with the question of the reputation attaching to a mark said:

"In my judgment, I believe what the ECJ had in mind was the sort of mark which by reason of extensive trade had become something of a household name so that the propensity of the public to associate other less similar marks with that mark would be enhanced. I do not believe that ECJ was seeking to introduce into every comparison required by Section 5(2), a consideration of the reputation of a particular existing trade mark."

14. This is a case where it can fairly be said that the opponents' earlier trade mark does enjoy the sort of household name reputation that warrants according the mark a high degree of acquired distinctive character.

### **Comparison of marks**

15. The opponents have not offered detailed submissions on why they consider the respective marks to be similar save in so far as Mr Barnes comments on the actual typeface used by the applicants and its similarity to that used by NEXT. I will comment on this below. The applicants' written submissions suggest that the words TEXT and NEXT are different in appearance; that small differences, particularly at the start of a word, are significant; that the letters T and N are unlikely to be confused; and that the words would be pronounced differently and are different in meaning.

16. The applicants' submissions rightly focus on the visual, aural and conceptual comparison which *Sabel v Puma* indicates is the basis on which similarities between marks must be assessed. I find myself agreeing in large measure with the applicants' submissions. TEXT and NEXT are short words. The different first letters play a crucial role in visual appreciation of the marks. It has long been a given of trade mark comparison that the beginnings of words are of particular importance (*Tripcastroid* 42 RPC 264). That is the case here. Because the words share the same three final letters there must be said to be a degree of visual similarity but particularly where well known words are concerned that aspect of the comparison should not be overstated.

17. Much the same considerations apply in relation to oral usage. As the applicants suggest, the T of TEXT produces a hard, plosive consonant which is pronounced quite differently to the much softer N of NEXT. There is not the same risk of imperfect articulation/mishearing as might occur with 'm' and 'n' sounds or 'p' and 'b' sounds.

18. Conceptually, as I have already said, the words are well known and with quite different meanings. Many dictionary words have similar spellings but are in practice easily differentiated.

## Likelihood of confusion

19. In his first statutory declaration Mr Barnes gives a comparison of the applicants' product label with that of his own company. For ease of reference I reproduce them below:



20. He submits that the applicants have chosen a typeface similar to that used by his company and that this adds to the risk of confusion. I note too from the parties' evidence that negotiations have taken place regarding the form of the applicants' mark and that some progress was made towards a settlement. In the event it seems that parties were unable to arrive at a mutually acceptable basis for terminating the dispute.

21. My assessment of the likelihood of confusion must make due allowance for normal and fair use of both parties' marks (see *Origins Natural Resources Inc v Origin Clothing Ltd* [1995] FSR 280). It seems to me that both usages shown above fall within normal and fair use. The applicants' mark may either be said to employ a less common typeface or to have a very small degree of stylisation. But, whichever way one chooses to approach it, the presentation is unremarkable and is unlikely to make a material difference to the way consumers would see the mark.

22. The applicants' written submissions comment as follows on the opponents' label:

“The label in question shows the word NEXT in block capitals in a very plain, serif typeface. In fact, it is difficult to distinguish from the Times New Roman typeface used in the present document. It is hard to believe that the public would see this label as anything other than the plain word NEXT in white on a black background. Of course, black labels bearing white writing are commonplace for garments, especially neck labels.”

23. I cannot but agree that the form in which the opponents' use (or commonly use) their NEXT mark is in a very plain typeface. Sometimes the lettering is in white against a black or dark background, sometimes black lettering on a white or light background. The typeface in each case appears to be wholly unexceptional. I can, therefore, see no merit in Mr Barnes' submission that the applicants have chosen a typeface similar to that of his company.

24. Mr Barnes also gives evidence that:

“The goods being sold under the mark TEXT came to the attention of my Company through a member of staff or customer who believed that the goods being sold by a company called Shadows Alteration Service were counterfeit. My Company wrote to Shadows Alteration Service requesting details of their supplier on 6 April 2001, twenty-one days before the filing date of application number 2268553 TEXT. Shadows Alteration Service informed my Company that the goods were being manufactured by Gill Knitwear Limited. My Company then wrote to Gill Knitwear, but received no response.”

He suggests that this is evidence of confusion in the marketplace.

25. I infer from the above that the matter did not come to Mr Barnes’ personal attention but was reported to him. If that were not so he would presumably have known whether it was a member of staff or customer. The member of staff or customer is not identified by name and there is no way of knowing what the reporting chain was and hence how many degrees of hearsay are involved. Also, as the applicants are known to have used different forms of their mark it is not possible to say which one the member of staff or customer had seen, what the circumstances were or whether the individual concerned was in fact confused. The result is that I can give little, if any, weight to this part of the opponents’ evidence.

26. The likelihood of confusion must be appreciated globally taking all relevant factors into account (*Sabel v Puma*, paragraph 22). The main considerations are that identical goods are involved but there are notable visual, aural and conceptual differences in the marks notwithstanding the common letters – EXT. The reputation attaching to the opponents’ mark must also be allowed for but:

“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 v Adidas*, paragraph 41).

27. The average consumer for clothing must be taken to be the public at large. It has been held that visual considerations are of primary importance in the purchase of clothing (see *REACT Trade Mark* [1999] RPC 529 and, on appeal, [2000] RPC 285). The average consumer is also deemed to be reasonably well informed, reasonably observant and circumspect (*Lloyd Schuhfabrick v Klysen Handel*, paragraph 27). It seems to me that with marks of this kind (short, well known dictionary words) it would require a well below-average degree of attentiveness and circumspection on the part of consumers to result in a likelihood of confusion. It is possible that some people on seeing the mark TEXT might call to mind the mark NEXT but it would not, in my view, result in confusion. Nor can I see any reason why they should think that TEXT was an associated brand emanating from the same trade source. I have considered the opponents’ other NEXT marks which employ other (often descriptive) elements in combination with the word NEXT. None has been singled out as offering the opponents a better chance of success than the mark NEXT solus.

28. The opponents' other ground of objection is under Section 5(4)(a) of the Act. The basis for the claim is essentially the point already considered in relation to normal and fair use of the parties' marks for Section 5(2)(b) purposes. Specifically the claim is that the word TEXT "when presented in a certain style of lettering and used on clothing causes a risk of the applicant being seen as passing themselves off as the opponent ...". No new or materially different issue arises in relation to Section 5(4)(a). I can see no basis on which the opponents could succeed under Section 5(4)(a) having failed under Section 5(2)(b).

### **Costs**

29. The applicants have been successful and are entitled to a contribution towards their costs.

30. The applicants' written submissions contain the following:

"In relation to costs for the evidence, it should be taken into account that the Opponent filed 4 kilograms of evidence, most of which related to proving the Opponent's reputation – which was not in dispute – or to the case under passing off, which added nothing to the case under the registered trade marks. We submit that, whatever the outcome of the opposition, the Opponent should not be awarded its costs in respect of preparing this unnecessary evidence; and that, whatever the outcome of the opposition, the Applicant should be awarded costs close to the maximum on the scale for considering the bulky and unnecessary evidence filed by the Opponent."

31. The applicants made two comments in their statement of case in response to the opponents' claim to have used their mark extensively for over 20 years. In the first paragraph they said:

"It is admitted that the opponent uses the trade mark NEXT in relation to the sale of clothing, footwear and headgear in the United Kingdom,"

and in the fifth paragraph they said:

"It is denied that at the date when the applicant began to use the trade mark TEXT [1998] or at the application date, the opponent had a sufficient reputation in the word NEXT to found an allegation of passing off."

32. The first of these statements makes no admission as to the extent of use (beyond the goods concerned) or the resulting reputation. The second statement specifically challenges the opponents' claim to a reputation. It was both unsurprising and necessary that the opponents should file the evidence they did in the face of the position adopted by the applicants. Had the applicants made at the outset the concession that was made in their written submissions it might have relieved the opponents of the burden of filing the volume of evidence they felt was necessary to support their case. In the circumstances I intend to reflect that state of affairs by a reduction of £400 in the award I would otherwise have made (£1,200). Taking this into account I



order the opponents to pay the applicants the sum of £800. This sum is to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.




**Dated this 31st day of October 2003**

**M REYNOLDS  
For the Registrar  
the Comptroller-General**



Brief details of registrations relied on by the opponents:

No.	Mark	Class
1256097		25
1256099		25

1276034	NEXT FOR MEN	25
2013313	<p>NEXT BASICS</p> 	14, 18, 25
2157138	 	25

2197088	NEXT MILLENNIUM	25
15594 (CTM)	NEXT	03, 11, 14, 18, 20, 24, 25, 27
281832 (CTM)	NX NEXT	14, 18, 25
281865 (CTM)	XT NEXT	14, 18, 25
334268 (CTM)	NEXT ATHLETIC	18, 25,