

**DECISION OF THE CONTROLLER OF PATENTS, DESIGNS AND TRADE MARKS IN  
PROCEEDINGS UNDER THE TRADE MARKS ACT, 1996**

In the matter of an application for registration of Trade Mark No. 259192 and in the matter of an Opposition thereto.

**Philip Foy**

**Applicant**

**Next Retail Limited**  
(Represented by FRKelly)

**Opponent**

**The Application**

1. On 24 April 2018 (the relevant date), Philip Foy, of Lisduff Cross, Moydow, Longford, Ireland (hereinafter “the Applicant”) made application (No. 2018/00840) under Section 37 of the Trade Marks Act, 1996 (“the Act”) to register the trade mark below (hereinafter “NXT device”) in respect of the following services in Class 35: *Retail services in relation to smartphones; Retail services in relation to smartwatches; Retail services relating to audio-visual equipment; Retail services in relation to computer hardware; Retail services in relation to computer software; Retail services in relation to mobile phones; Retail services in relation to wearable computers; Retail services in relation to information technology equipment; Retail services in relation to audio-visual equipment; Retail services in relation to domestic electronic equipment.*



2. The application was accepted for registration and advertised accordingly under No. 259192 in Journal No. 2364 dated 25 July 2018.
3. Notice of Opposition to the registration of the mark pursuant to Section 43 of the Act was filed on 24 October, 2018 by Next Retail Limited, a UK Company of Desford Road, Leicester, United Kingdom (hereinafter “the Opponent”). The Applicant filed a counter-statement on 20 December 2018 and evidence was, in due course, filed by the parties under Rules 20 and 21 of the Trade Marks Rules, 1996 (“the Rules”).
4. The Applicant elected to file written submissions in lieu of attending the Hearing. The Opponent elected not to attend a Hearing or to file written submissions in lieu of attending a Hearing, as is its right. The parties were notified on 8 February 2021 that I had decided to

dismiss the opposition and to allow the mark to proceed to registration. I now state the grounds of my decision, and the materials used in arriving thereat, in response to a request by the Opponent in that regard pursuant to Rule 27(2) filed on 5 March 2021.

### **Grounds of the Opposition**

5. In its Notice of Opposition, the Opponent states it has for many years carried out business as a retailer of, inter alia, clothing, footwear and home products. It then refers to its proprietorship of four European Union Trade Marks (EUTMs) and one Irish Trade Mark. The marks are either for the plain black type words “next” or “NEXT”. The five registrations combined are in respect of an extensive range of goods and services across Classes 3, 4, 5, 6, 7, 8, 9, 11, 12, 14, 16, 18, 20, 21, 24, 25, 26, 27, 28, 29, 30, 32, 35, 36, 39, 42, 43 and 45.
6. The Notice of Opposition states the marks denote and have long denoted both to the trade and the public such goods and services are rendered by the Opponent and has long distinguished these goods and services from the like goods and services of other traders. It then goes on to state the grounds of opposition, some of which are invalid and need not be mentioned. The valid grounds relate to the following sections of the Act:
  - Section 10(2)(b) – *identity or similarity of the goods and services and the identity or similarity of the marks, leading to a likelihood of confusion on the part of the public, including a likelihood of association with the Opponent’s trade marks;*
  - Section 10(3) – *use of mark would take unfair advantage of, or be detrimental to, distinctive character or reputation of the Opponent’s trade marks; and*
  - Section 10(4)(a) – *use of the mark in the State is liable to be prevented by virtue of the law of passing off.*

### **Counter-Statement**

7. In its Counter Statement the Applicant denies all the grounds of opposition. The Applicant denies the marks are identical or similar, and that the goods in respect of the retail services for which the Applicant seeks registration are goods that the Opponent retails in Ireland. On that basis there is no likelihood of any confusion in the marketplace if the Applicant was to use the mark in respect of the retail services applied for.

### **Rule 20 Evidence**

8. Evidence submitted by the Opponent under Rule 20 consists of a Statutory Declaration dated 27 June 2019, and supporting evidence, by way of eighteen exhibits (marked N1 to N18), of Sarah Louise Waterland, Deputy General Counsel of the Opponent. I have examined in detail the

Declaration and all the accompanying Exhibits and will refer to their particulars where appropriate to do so.

9. Ms Waterland provides a brief history of Next Plc, the owner of Next Retail Limited (the Opponent), including its various company name changes over the years. Next Plc, Next Retail Limited and Next Holdings Limited have mutually licenced their trade marks to each other. She attached at Exhibit N1 the current and past Licence Agreements between these entities and their predecessors. For simplicity, hereinafter I shall refer to these companies collectively at “Next”.
10. Ms Waterland states Next is a predominantly UK-based multi-channel retailer and its business includes:
  - NEXT RETAIL, a chain of more than 500 stores in the UK and Ireland;
  - NEXT DIRECTORY, a home shopping catalogue including a specific homewares edition - NEXT HOME;
  - A national retail website, [www.next.ie](http://www.next.ie), and international websites serving over 70 countries, under the homepage [www.nextdirect.com](http://www.nextdirect.com);
  - NEXT International Retail with almost 200 mainly franchised stores around the world;
  - Next Sourcing, which designs, sources and buys NEXT/next branded products; and
  - Lipsy, which designs and sells its own brand of younger women’s fashion products.
11. Ms Waterland states that Next first adopted and used the trade marks NEXT/next in 1982 in the United Kingdom and has continually operated a chain of high street stores in the United Kingdom since then. Next uses its trade marks on a wide range of goods, including clothing, footwear, headgear, fashion accessories, jewellery, watches, cosmetics and toiletries, gifts, home and gardenware, lighting goods, and related retail, advertising, promotional and business services. These consumer retail products have been sold through NEXT/next branded stores, websites and mail order catalogues.
12. Ms Waterland says that in 1988 Next launched a mail order catalogue service under the mark NEXT DIRECTORY. In 2000 the mail order catalogue claimed its 1 millionth active customer and there are now over 5.3 million active customers on Next's records. In 2010 Next was appointed as Official Clothing and Homeware Supplier to the London 2012 Olympic Games and Paralympic Games. She attaches at Exhibit N2 a print-out from the International Olympic Committee Marketing Report 2012 showing Next in the list of the London 2012 Olympic providers and supporters. By 2013 Next traded online in more than 70 countries worldwide. She

attaches at Exhibit N3 a list of the countries where Next currently has an online presence, taken from Next's corporate website [www.nextdirect.com](http://www.nextdirect.com).

13. In terms of high-street presence, Ms Waterland attaches at Exhibit N4 a list of Next stores operating across the United Kingdom (523), Ireland (27) and the European Union (32). She explains that some stores are owned by Next and some are operated under franchise. Next offers business advice and consultancy in the establishment and operation of the franchised stores. All these stores sell NEXT/next branded goods and demonstrate the scale of the Next's physical presence in the UK and EU marketplace.
14. Ms Waterland attaches, at Exhibit N5, a collection of photographs and materials illustrating how the NEXT/next marks have been affixed to various goods; including fashion items, umbrellas and wallets.
15. In respect of Ireland, Ms Waterland states Next opened stores in July 1987 and provides a list of the 27 Next stores currently in operation (these are located in 16 different counties and in all major cities). She attaches at Exhibit N6 images of Next's stores in Ireland dating from the period 2015-6 and showing the retail offering of Next and the way in which NEXT/next branded products are displayed to the public.
16. She states the Next Directory is distributed to stores in Ireland in order for customers to view the entire Next product range. Homeware brochures, with prices in euros, are available in Irish stores for customers to purchase for €2, and smaller guides are available free of charge. A representative sample of these brochures was attached as Exhibit N6A. She says Next distribute millions of the brochures contained in Exhibit N6A every year and provides monthly distribution figures (totalling more than 7.8 million) relating to the period June 2018 to May 2019.
17. Ms Waterland states Next launched its online shopping service in Ireland in 2009 via [www.nextdirect.com/ie](http://www.nextdirect.com/ie) which subsequently became [ie.nextdirect.com](http://ie.nextdirect.com) before changing to [www.next.ie](http://www.next.ie) in 2017. Figures in respect of monthly hits of the Ireland specific websites for the period January 2012 to February 2019 were attached at Exhibit N7. A selection of archived pages showing a subset of the product range available to Irish consumers via the [ie.nextdirect.com](http://ie.nextdirect.com) website, which were also available in Next stores nationwide during 2016 (prior to the relevant date) were attached at Exhibit N8.

18. Ms Waterland goes on to provide details of the significant annual value of Next sales, and its advertising and promotional expenditure in respect of a number of years. She attaches detailed figures in respect of expenditure at Exhibit N16. She also provides a breakdown of sales by category, which shows that the combined figures for womenswear, menswear and childrenswear account for over 88% of sales, with other goods, including household goods, representing the remainder.

19. Ms Waterland explains that up until 2017 the vast majority of the Next promotional spend in Ireland was on direct mailers, which are small, printed brochures sent to its most frequent customers, but that since 2017 Next switched to all digital marketing. The most recent marketing figures for 2018 and those projected for 2019 show expenditure of over £1 million per annum comprising:

- display costs: on-screen advertisements placed around the edges of websites such as news sites;
- social costs: similar to display costs but relate to on-screen advertisements within social media; and
- PPC costs: paid-for Internet search terms such as "black dress", which pushes Next's website up the Google rankings when customers search for a product online.

20. Ms Waterland refers to independent press coverage in Ireland (attaching a selection of articles at Exhibit N10) and to Next's extensive social media presence (extracts from Next's Facebook page were attached at Exhibit N11, extracts from Next's Twitter account were attached at Exhibit N12, extracts from Next's Instagram account were attached at Exhibit N13, and extracts from Next's Pinterest account were attached at Exhibit N14).

21. Ms Waterland refers to a October 2013 decision (selected pages of which were attached at Exhibit N17) of the European Union Intellectual Property Office (EUIPO), wherein the EUIPO recognised the NEXT brand as notorious and reputable and concluded:

*"... that the word mark NEXT has been used substantially and over a relatively long period (since 1982). The annual turnover figures for NEXT Group Plc (GBP 3.4 billion in 2010) and the annual cost of promotional activities (over GBP 46 million in 2007) are substantial amounts and must be taken as indicating that the mark has acquired a reputation. This is especially true considering that the evidence shows that the 'NEXT' mark is the core brand of the group and the focus of its trading and promotional activities. Furthermore, the large number of NEXT stores in the United Kingdom makes it very likely that the public at large will be familiar with the Opponent's mark";*

and that the mark NEXT has a reputation for:

*"articles of clothing: footwear; headgear; childrenswear and homeware and retail services in the fields of clothing, headgear, footwear and household goods";*

and, as such, the mark has:

*“acquired a high degree of distinctiveness through... use on the United Kingdom market with respect to [the afore-mentioned] goods and services.”*

22. Ms Waterland states that on that basis it has been established that the NEXT mark enjoys a reputation and an enhanced distinctiveness throughout the EU, including Ireland.
23. Ms Waterland concludes her Declaration by stating the NEXT brand is one of the top 500 most valuable brands in the world and provides its ranking for the years 2007-2016. She attaches at Exhibit N18 extracts from the [www.branddirectory.com](http://www.branddirectory.com) attesting to this.

### **Rule 21 Evidence**

24. Evidence submitted by the Applicant under Rule 21 consists of a Statutory Declaration dated 25 March 2020, of Philip Foy (the Applicant).
25. Mr Foy states he designed the logo/mark at issue, and that it is unique. He says it is his creation alone and not a copy of any other logo/mark.
26. He carries out a comparison between the respective marks and states there are significant differences between them. His mark has only three letters and the design and format of same are completely different. The colour scheme is different in that his mark has a yellow outline around the lettering, the “X” has 2 arrows emerging from it and the lettering is all in capitals.
27. Mr Foy says his business and that of the Opponent are utterly different, and that the Opponent does not engage in any of the retail services for which he seeks registration for his mark. On this basis he argues that no circumstances exist wherein there could be confusion on the part of the public or any likelihood of association resulting from his use of his mark.
28. As it its right, the Opponent chose not to file any evidence under Rule 22 in reply to the Applicant’s Rule 21 evidence. The Opponent also declined to attend at a Hearing or to file written submissions in lieu of attending.
29. The Applicant filed written submissions, but nothing of any significance was contained therein, as most of the content repeated what Mr Foy said in his evidence under Rule 21.

### **Likelihood of Confusion**

30. I now turn to the ground of opposition relating to Section 10(2)(b) and the issue of the likelihood of confusion in the marketplace. The relevant part of the Act reads as follows:

*(2) A trade mark shall not be registered if because –*

*(a) .....*

*(b) it is similar to an earlier trade mark and would 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 of the later trade mark with the earlier trade mark.*

31. Therefore, there are four basic requirements that must be met in order for an objection under this section to succeed. They are: (i) there must be “an earlier trade mark”, (ii) the goods or services of the application must be identical with or similar to those in respect of which the earlier trade mark is registered, (iii) the mark applied for must be similar to the earlier trade mark, and (iv) there must be a resultant likelihood of confusion on the part of the relevant consumer.
32. The Opponent’s five marks were registered at this Office or at the European Union Intellectual Property Office (EUIPO) prior to the relevant date and are earlier trade marks. Therefore, the first of the conditions is fulfilled.
33. Of the Opponent’s five earlier marks, only three are registered in respect of retail services in Class 35. Two of these three do not specifically mention the retail services for which the Applicant seeks registration, but both mention retail services in respect of “electrical products”. However, I find that term is far too vague and imprecise to enable me to determine what goods are covered. “Electrical products” can cover a multitude of devices, including electric toothbrushes, electric bicycles, washing machines, electric gates, uninterruptable power supply unit and electric cars, all of which have different purposes and which customers would expect to find in completely different types of retail outlets.
34. That leaves one earlier mark – EUTM 017607474 for the word ‘next’, which is registered for retail services in respect of thousands of specified products, including most of the goods covered by the Applicant’s retail services. I find the retail services covered by the Applicant’s application for registration are identical with or similar to the retail services for which the Opponent’s earlier EUTM 017607474 is registered and, therefore, the second condition is met.

## Comparison of the marks

35. In his written submissions the Applicant sets out his analysis of the respective marks, and in doing so concludes they are dissimilar. As the Opponent did not elect to attend a Hearing or present any written submission or legal argument, I do not have the benefit of knowing the basis upon which the Opponent maintains the marks are similar; nor do I have the Opponent's views regarding the level of similarity it believes exists.
36. Notwithstanding this, I have compared the respective marks on the criteria of visual, aural and conceptual similarity and have attempted to make an overall assessment of the extent to which they should be regarded as similar or different. It is important to stress that this is an assessment of the overall impression the marks make on me, having put myself in the shoes of the average consumer of the services for which the Applicant is seeking registration. Notwithstanding the detailed comparisons I make below I am mindful that the Court of Justice of the European Union (CJEU) noted in *Sabel BV v Puma AG and Rudolf Dassler Sport Case C-251/95*<sup>1</sup> that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. For this reason, the appreciation of the visual, aural and conceptual similarity of the marks must be based on the overall impressions given by them, rather than on specific points of detail that are likely to go unnoticed by the average consumer.
37. In light of my earlier analysis of the Opponent's retail services, I will confine my comparison of the Applicant's mark to the Opponent's EUTM 'next'. In doing so, I find it helpful to look at the two marks side-by-side:

next



38. I find there is some visual similarities between the marks, in that each contains the letters n-x-t, in that sequence. However, the representation of the letters are noticeably different. On the one hand, the opponent's mark is entirely in lower case, is depicted in a slim plain black type using a common font and the letters are all the same size. On the other hand, the Applicant's mark is entirely in upper case, the N and T are the same size and are in italics, while the X is larger and is not in italics. All the letters are chunky, with a gold outline and black filling on a black background. Because the X overlaps the N and T, it relegates both to the background, thereby bestowing a significant prominence on the letter X. Furthermore the X is striking by virtue of

---

<sup>1</sup> Paragraph 23 of decision dated 11 November, 1997



the two arrowheads extending from one of its axes. In my opinion, the X element dominates the Applicant's mark. I find the marks are more visually dissimilar than similar. I rate the level of visual similarity between the marks as low to medium.

39. The Opponent's mark consists entirely of the one syllable common English word 'next', which is pronounced 'nekst'. The Applicant's mark contains the initials N-X-T, each being a distinct syllable, and is pronounced 'en-eks-ti'. Because of the shared 'eks' sound, when the respective marks are spoken, there is some similarity. But the marks differ in that the Opponent's mark does not contain the 'en' or 'ti' sounds which are present in the Applicant's mark. Therefore, in my opinion, the marks are more aurally dissimilar than similar. I find the level of aural similarity between the marks to be low to medium.
40. The Applicant's mark consists of the three initials N-X-T and it is not apparent from the mark itself what the letters stand for. Therefore it has no obvious conceptual meaning. The Opponent's mark is a common English word that has a specific meaning, which is readily understood. It means the one that follows, or the one that is adjacent to, or nearest in terms of place, time, order, or importance. It is frequently used in retail services when the customer assistant is inviting the person at the top of the queue to approach (perhaps this was a factor in the Opponent selecting its mark). I find there is no conceptual similarity between the marks.
41. Though I have completed my comparison of the marks as required, in this case there are other factors at play which are worthy of consideration. The Opponent's mark is the word 'next' in lower-case and in very plain text. In my opinion this is intentional, with the objective to convey a brand that is uncomplicated, understated, uncontrived, accessible, affordable, reliable and for the masses. It is a very short, but nonetheless an extremely memorable trade mark. Therein lies its uniqueness, effectiveness, and attractiveness. The Opponent reinforces these characteristics in the use of its mark on shopfronts in Ireland as shown in the evidence, all of which, without exception, depict its 'next' (lowercase) mark.
42. The Applicant's mark is less subtle. It is in larger type and all in upper case (considered to represent shouting when writing or texting). The colours are stronger and the background is bold. The arrowheads, which are unique to the Applicant's mark, are often used to symbolise courage, strength or protection. In my opinion, the Applicant's mark has stronger physical characteristics, and is therefore more striking and conspicuous to the eye than the Opponent's mark.

43. Having completed my examination of the marks in respect of their visual, aural and conceptual characteristics, I find that there is an extremely low overall level of similarity between them.
44. Nonetheless, as I have found there is some similarity between the marks, the issue does not end there. I must conduct a global assessment of the likelihood of confusion which requires me to take all relevant factors into account, including the similarity between the services. Accordingly, I must be mindful that in *Canon Kabushiki*<sup>2</sup> the CJEU found “*a lesser degree of similarity between these goods or services may be offset by a greater degree of similarity between the marks, and vice versa*”. This is very much in play as I have already found the retail services at issue are either identical or similar.
45. I must also take into account other factors identified by the CJEU<sup>3</sup> in this area, including the following:
- (a) the more distinctive the earlier mark, the greater will be the likelihood of confusion;
  - (b) in determining the distinctive character of the earlier mark, it is necessary to make an overall assessment of its capacity to identify the services for which it is registered as coming from a particular undertaking and thus to distinguish those services from those of other undertakings;
  - (c) in making that assessment, account should be taken of the inherent characteristics of the mark; the market share held by it; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested in its promotion; the proportion of the relevant public which, because of the mark, identifies the services as originating from a particular undertaking; and statements from chambers of commerce and industry and other trade and professional associations;
  - (d) a global appreciation of the likelihood of confusion as regards the visual, aural and conceptual similarity of the marks in question, must be based on the overall impression created by them, and the importance attached to each of those elements must take account of the category of services and the way in which they are marketed and used by the purchasing public;
  - (e) the assessment must be made from the perspective of the average consumer who is deemed to be reasonably well-informed, observant and circumspect but who rarely has the chance to make a direct comparison of the marks and must rely on the imperfect picture that he has of them in his mind,

---

<sup>2</sup> *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* Case C-39/97 at p.17

<sup>3</sup> *Sabel BV –v- Puma AG and Rudolph Dassler Sport* (Case C-251/95) [1998] 1 CMLR 445; and *Lloyd Schuhfabrik Meyer & Co. GmbH –v- Klijsen Handel BV* (Case C-342/97) [1999] 2 CMLR 1343

46. I have already noted the term ‘next’ is frequently used in retail services. As such it may not be seen as having much inherent distinctiveness. However, the Opponent has provided ample evidence to support its claims of long-established, extensive, and continuous use of the mark in Ireland to lead me to conclude it has acquired additional distinctiveness through the use made of it. Therefore, I am satisfied the mark is well-known to Irish consumers for retail services and that it has the capacity to identify the services for which it is registered as being those of a particular undertaking, and thus to distinguish those services from those of other undertakings.
47. These proceedings are somewhat unusual in that they are concerned solely with services, not goods. This is an extremely important aspect of this case. The criteria for deciding a likelihood of confusion in terms of goods envisages a typical purchasing scenario where goods from the respective parties may be found on the same shelf of a store, or in the same store, or are in competition or are complimentary to each other. Therefore, the tests in respect of a likelihood of confusion in a typical purchasing scenario regarding goods, and the level of attention the purchasing consumer pays when purchasing the relevant goods, are not wholly applicable to services.
48. Retail services are completely different, in that competing providers of the same type of retail services are seldom found in the same store. But it does happen in large stores who operate a concession based business model. For example, many different beauty product retailers compete side-by-side in stores like Arnotts or Brown Thomas. Where this happens the concession retailers invariably sell products exclusively under their own brand.
49. The Opponent has many retail outlets in Ireland and evidence of use of the Opponent’s ‘next’ mark was provided. The evidence shows the Opponent predominantly provides retail services in respect of own-brand products. The Opponent invests significant amounts in the promotion of its goods and retail services and the general Irish public would readily identify ‘next’ goods and retail services as originating from the Opponent. But the Opponent’s own evidence demonstrates the recognition of ‘next’ goods and retail service is confined to womenswear, menswear, childrenswear and household goods and to retail services provided in respect of those goods. While use of the Opponent’s mark is intensive, geographically widespread, and long-standing, the opponent has not provided any evidence or made any statements to the effect that it is in the business of providing the type of retail services covered by the Applicant’s application.

50. The objective of retail trade is the sale of goods to consumers. This consists of selecting an assortment of goods offered for sale and offering a variety of services aimed at inducing the consumer to conclude a transaction. This includes the bringing together, for the benefit of others, of a variety of goods, enabling customers to conveniently view and buy those goods. These services may be provided by retail stores, wholesale outlets, vending machines, mail order catalogues or by means of electronic media, for example, through web sites or television shopping programmes. In the context of these proceedings I must look closely at the way in which the relevant services are marketed and used by consumers.
51. The class of services for which the Applicant seeks registration is narrow and, in my opinion, highly technical and specialised. Consumers of these services invariably interact extensively with the service provider before making a decision as whether or not to purchase any of the goods which are the subject of the retail services. But before that interaction even begins, consumers must make a decision about whom they will approach in order to avail of these services. That decision can be conscious and premeditated, or impulsive. Service providers use standard methods to help consumers to make that decision and to ensure they are the ones the consumer chooses.
52. The most fundamental and basic way is to window dress the shopfront (physical or virtual) so that consumers can immediately determine the nature of the business. Therefore, the get-up of the retail store plays a significant part in informing consumers about the retail services it provides. By way of example, the get-up used by a shoe shop will be completely different to that used by a jeweller. Accordingly, consumers do not have to wander from store to store asking whether the store provides retail services in respect of diamonds rings; they can tell that immediately by looking at the shop window.
53. The Opponent has not provided any evidence to show its retail store's get-up is designed to attract consumers wishing to avail of the retail services for which the opposed mark seeks registration. The Opponent provided evidence showing some of its shopfronts in Ireland, all of which show the Opponent's mark 'next' and all of which inform consumers the retailer is in the fashion and household goods business. Therefore, consumers would instinctively know there is no point in entering the store to browse, or enquire about, mobile phones or computer software.
54. Consumers know where to go to seek retail services in respect of different product types. In terms of these proceedings, in my opinion, consumers would go to a store (either physical or virtual) that specialises in retailing the relevant products. There are stores on the high-street and online that are dedicated solely to the provision of these services. The retail services at issue are

highly specialised and the associated goods can be expensive. Furthermore, consumers only purchase the goods at issue on a very infrequent basis. Therefore, in my opinion, consumers would pay significant attention when making the decision as to which particular retail service to use.

55. An integral part of the relevant retail services is the provision of brand-independent information and advice. Staff must receive technical training and be familiar with the various products and their features, many of which are very complicated. As regards mobile phone retail, the service provided would include information about the phones themselves, the various mobile network providers and their call, data and text packages and limitations, and pricing options. When selling new phones the retail service provider must be capable of completing contracts, transferring data between devices, and connecting the phones to a particular network. The Opponent has not presented any evidence or made any statements claiming it has ever provided such services to consumers. Therefore, I find the Opponent does not have any market presence or market share in the relevant retail services. This is an important finding that I must take into account in my assessment of a likelihood of confusion.

56. Notwithstanding this finding, the Opponent's earlier mark 'next' is registered in respect of the retail services covered by the opposed application and, therefore, I must also consider what the situation would be if the Opponent did provide the retail services in question under its mark 'next'. In doing so I am required to make an overall assessment of the likelihood of confusion that may exist between the Opponent's earlier trade mark 'next' and the Applicant's mark. The confusion in question may be direct confusion, whereby the Applicant's retail services are mistaken for those of the Opponent, or indirect confusion, whereby the Applicant's retail services are associated in the mind of the consumer with those of the Opponent and a common commercial origin is inferred.

57. It is not necessary to find that every consumer would be confused. Nor is it sufficient to find that some consumers might be confused in order to refuse registration of a trade mark under Section 10(2)(b). The question is whether it is likely or unlikely that the average person would be confused in the course of the typical scenario wherein they seek the retail services at issue.

58. I have already found the respective marks share an extremely low level of similarity. That low level of similarity leads me to conclude the overall impression conveyed by the marks is that they are different. I have looked at the question of likelihood of confusion from a practical perspective in the context of the marketplace and I have put myself in the shoes of the average consumer of the retail services in question. Having done so, I am satisfied that a consumer,

having experienced the relevant services of the Opponent, and having subsequently encountered the Applicant's mark for the same services, would not be likely to be confused or caused to wonder that the latter services were from the same commercial origin as the former, or that the service providers were economically linked.

59. In light of all the above, I find no likelihood of confusion would arise if both marks were used for their respective retail services in the Irish marketplace. Accordingly, I find the application does not offend against Section 10(2)(b) and I dismiss the opposition on this ground.

### **Section 10(3)**

60. I now turn to the grounds of opposition centred on Section 10(3) of the Act, which provides as follows:

*“A trade mark which –*

*(c) is identical with or similar to an earlier trade mark, and*

*(d) is to be registered for goods or services which are not similar to those for which the earlier trade mark is protected,*

*shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the State (or, in the case of a Community trade mark, in the Community) and the use of the later trade mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier trade mark.*

61. The purpose and effect of that provision is to afford an extra level of protection to marks that have a reputation over and above that which is given to other trade marks. As is evident from the wording of the Section, there are a number of conditions that must be fulfilled in order for it to apply. Firstly, there must be identity or similarity of the marks at issue; secondly, there must be a dissimilarity between the respective goods<sup>4</sup>; thirdly, the earlier mark must have a reputation in the State or the EU; fourthly, the use of the later trade mark must be without due cause; and fifthly, that use must take unfair advantage of, or be detrimental to, the distinctive character or reputation of the earlier marks.

62. I have already found that the first two conditions have being met – there is some level of similarity with the Opponent's mark and there is the required dissimilarity or similarity (following the CJEU decision) in respect of many of the services applied for.

---

<sup>4</sup> In the light of the ECJ decision in Case C-292/00 *Davidoff* [2003] ECR I-389, it is now more correct to say that there is not a requirement that the goods be similar (although the provision is equally applicable in the case of similar goods).

63. The third condition is the Opponent's earlier EUTM 'next' must enjoy a reputation in the EU. The Opponent submitted evidence attesting to the number of stores it operates in the EU, which shows it has 523 stores in the United Kingdom (an EU Member State at the relevant date), 27 in Ireland and a further 32 spread across 10 other EU Member States. However, none of the non-UK and Ireland stores are located in the 5 most populated states, namely, Germany, France, Italy, Spain and Poland. The Opponent directed me to an EUIPO decision in relation to an opposition which found the Opponent's mark NEXT had acquired a reputation.
64. I am satisfied that use by the Opponent of its mark NEXT/next in 12 EU member States is sufficient for me to conclude that, on the relevant date, the mark had the type of reputation worthy of protection under Section 10(3)(b) of the Act.
65. Turning now to due cause. The Opponent has not offered anything to suggest the Applicant does not have due cause to use the mark put forward for registration. On the other hand, the Applicant has stated it designed an original and unique mark, that is in no way similar to, or capable of being confused with the Opponent's marks. On this basis I must conclude the Applicant has due cause to use its mark. Having found the Applicant has due cause to use its mark, I do not have to consider whether or not the Applicant's use of it would take unfair advantage of, or be detrimental to, the distinctive character or reputation of the Opponent's mark. But, for completeness I shall do so.
66. Like the EUIPO Opposition Division, I find the Opponent has a reputation for certain retail services, but that reputation does not extend beyond "*articles of clothing; footwear; headgear; childrenswear and homewear and retail services in the fields of clothing, headgear, footwear and household goods*".
67. No evidence or argument whatsoever has been adduced or advanced by the Opponent to support its claims that the Applicant's use of its mark would tarnish the reputation of the Opponent's mark in the marketplace or undermine its capacity to identify exclusively the Opponent's goods. It appears the Opponent's case rests solely on the fact that it owns two earlier marks of repute (NEXT and next) for certain goods and services, and that that is enough. These facts are sufficient to allow me to determine the matter under Section 10(2)(b), but much more would be needed for me to refuse the Applicant's mark under Section 10(3).
68. I find the extremely low level of similarity between the marks and the significant difference between the retail services for which the Opponent has a reputation and those for which the Applicant seeks registration is such that I cannot accept the Opponent's claim that use of the

Applicant's mark would result in the damage or unfair advantage that Section 10(3) seeks to avoid. I am completely satisfied the parties' marks can coexist in the marketplace without impacting in any way on the Opponent's mark or reputation. Therefore, I dismiss the opposition under that Section also.

**Section 10(4)(a) - use of mark is liable to be prevented by virtue of any rule of law**

69. The final ground of opposition that falls to be considered is under Section 10(4) of the Act, the relevant part of which reads as follows:

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

70. Whether use of a mark should be prevented under the law of passing off is a matter for the Court to decide in a given case and, in so deciding, the Court is performing a different function to that performed by the Controller when considering an application for registration. Section 10(4)(a) is not concerned with whether passing off has actually taken place but with whether registration should be refused. It requires a determination by the Controller as to whether the fundamental ingredients of an action for passing off would exist if the disputed mark was used in the State by the Applicant.

71. However, I have little to assist me with my determination. No evidence or argument in respect of passing off was advanced by the Opponent. Other than raising it as a ground of opposition in its Notice of Opposition the Opponent never mentions passing off. Again, it appears the Opponent's case in respect of passing off rests solely on the fact that it owns two earlier marks of repute (NEXT and next) for certain goods and services. But again, that is not a sufficient basis on which I can refuse the Applicant's mark under Section 10(4)(a).

72. In any event, I have already found the Opponent's mark does not have a reputation in respect of the retail services at issue, and that the parties' marks are different. In light of these findings, I am satisfied that the use by the Applicant of its mark for the relevant retail services would in no way constitute a misrepresentation that these services were those of the Opponent. Furthermore, I am satisfied that such use would not damage the Opponent's business in any way. Accordingly, I dismiss the opposition on this ground also.



73. For these reasons, I have decided that the prior registration and use of the Opponent's trade marks NEXT/next do not constitute any grounds for refusal of the application to register the mark at issue. Therefore, I have decided to dismiss the opposition and to allow the Applicant's NXT device mark to proceed to registration.

Dermot Doyle

Acting for the Controller

13 May 2021