

O-422-15

TRADE MARKS ACT 1994

**TRADE MARK APPLICATION NO. 3073578
BY DEYONGS LIMITED
TO REGISTER THE TRADE MARK**

NEWPORT CREEK

IN CLASSES 20 AND 24

AND

**THE OPPOSITION THERETO UNDER NO. 403585
BY NEWPORT COLLECTION AB**

Background and pleadings

1. Deyongs Limited (“the applicant”) applied for the trade mark NEWPORT CREEK on 22 September 2014 for ‘cushions’, in Class 20, and ‘bedlinen’, in class 24.

2. The application was published on 10 October 2014. It was subsequently opposed by Newport Collection AB (“the opponent”) on the basis of section 5(2)(b) of the Trade Marks Act 1994 (“the Act”). The opponent relies upon all the goods of its two earlier Community Trade Marks, as follows:

(i) 9531881

NEWPORT

Class 24: Textiles and textile goods, not included in other classes; bed cloths and table covers.

Filing date: 18 November 2010; date registration procedure completed: 26 April 2011

(ii) 9529298



NEWPORT
AUTHENTIC AMERICAN DESIGN

Class 24: Textiles and textile goods, not included in other classes; Bed and table covers.

Filing date: 17 November 2010; date registration procedure completed: 6 May 2011.

3. The opponent claims that there is a likelihood of confusion under section 5(2)(b) of the Act because the marks are similar and the goods either identical or similar.

4. The applicant denies the grounds on the basis that the marks are not similar and that its mark, in use, looks different to the way the opponent’s marks are used.

5. The opponent is professionally represented, whilst the applicant represents itself. Neither side filed evidence. The opponent filed submissions and the applicant wrote to the Registry to say that it relied upon the contents of its counterstatement. The parties were asked if they wished to be heard or for a decision to be made from the papers. Neither chose to be heard. I make this decision after a careful reading of all the papers filed by both parties.

Decision

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

“(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.”

7. The following principles are gleaned from the decisions of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

The principles

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, 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, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive

role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) 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;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

Comparison of goods

8. The applicant has not denied the opponent's claim that the goods in the parties' specifications are identical and/or similar. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-33/05, the General Court ("GC") stated that:

"29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 Institut fur Lernsysteme v OHIM- Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark".

9. Consequently, the applicant's 'bed linen' is wholly encompassed by the opponent's 'textile goods', so is therefore identical; and the applicant's 'bed linen' is also identical to the opponent's 'bed covers and bed cloths'.

10. This leaves the applicant's class 20 goods, cushions to be compared with the opponent's class 24 goods. In comparing the respective specifications, all relevant factors should be considered, as per *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.* where the CJEU stated, at paragraph 23 of its judgment:

"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."

Additionally, the criteria identified in *British Sugar Plc v James Robertson & Sons Limited* (“Treat”) [1996] R.P.C. 281 for assessing similarity between goods and services also include an assessment of the channels of trade of the respective goods or services.

11. The opponent’s term ‘textile goods’ (in both earlier marks) covers cushion covers. These differ from cushions in nature and purpose, but cushion covers are highly likely to be sold side by side with cushions (which already have covers and filling). ‘Cushions’ includes uncovered and covered cushions. There is a high degree of complementarity between uncovered cushions and cushion covers as the one depends upon the other for use. Cushion covers will also be in competition with complete cushions, as the choice is either to buy an uncovered cushion and a separate cover, or to buy a cushion already made up with a cover. The applicant’s cushions are, therefore, highly similar to the opponent’s ‘textile goods’.

Average consumer

12. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer, Case C-342/97*.

13. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

14. The goods of both parties will be bought by the general public. The perception of the marks during the selection process will be primarily visual, on the basis of e.g. inspection of the goods in a retail environment, online, or in printed matter such as a catalogue, but I do not ignore the possibility of oral use of the marks during the purchasing process. Whilst the goods are not an everyday purchase, and will require some degree of attention to ensure a harmonious decorative fit with whichever room they are destined for, the purchase will entail no more than an average degree of attention.

Comparison of marks


15. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and

conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The Court of Justice of the European Union stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

It is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks.

16. The respective marks are:

Opponent	Applicant
<p data-bbox="363 931 608 976" style="text-align: center;">NEWPORT</p> 	<p data-bbox="892 1043 1321 1088" style="text-align: center;">NEWPORT CREEK</p>

17. The opponent’s first word mark consists of a single word NEWPORT, so this is what gives the mark its overall impression. Its second mark also consists entirely of words but NEWPORT dominates within the mark when considered as a whole. The words AUTHENTIC AMERICAN DESIGN are descriptive and so carry minimal weight in the overall impression of the mark. In the applicant’s mark, NEWPORT qualifies CREEK, so the overall impression is of the unit NEWPORT CREEK.

18. In relation to the opponent’s mark NEWPORT, there is a medium degree of visual and aural similarity with the applicant’s mark. It comprises the first of the two words in the application, but this similarity is offset by the extra word CREEK. The aural similarity, with respect to the second earlier mark, is much the same as it is unlikely that the words AUTHENTIC AMERICAN DESIGN will be articulated. Visually, there is a moderate degree of similarity in view of the extra differing words and the cursive presentation of NEWPORT (although this is an unremarkable font and notionally the application could be presented this way).

19. The General Court in *Ella Valley Vineyards (Adulam) Ltd v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) T-32/10* stated:

“43 Although, as the Board of Appeal stated, in the mark applied for the word ‘ella’ is larger than ‘valley’ and it is positioned above the latter, it must be held that the configuration of the mark applied for is such that those two words cannot be perceived separately. It must be held that the words ‘ella’ and ‘valley’ are both contained within the black rectangle and are written with the same font and the same colour. Thus, on account of the contiguity of those two words in the black rectangle, and their identical font and colour, and despite the difference in size, the relevant public will perceive the expression ‘ella valley’ as an indissociable whole. In that connection, it should be recalled that, according to settled case-law, the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (Case C-532/10 P *adp Gauselmann v OHIM* [2011] ECR I-0000, paragraph 24 and the case-law cited).”

In that case, ‘Ella’ qualified ‘Valley’, forming a unit in the same way that JURA ORIGIN formed a unit in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch). I consider the same to be true of NEWPORT CREEK: Newport qualifies Creek. A creek is a stream or inlet. There is some conceptual similarity in that both marks reference a place called Newport, but there are also differences. To the average UK consumer, Newport is the name of at least three locations, one of which is a city in South Wales, whereas the image of the opponent’s mark is of a stream or inlet named Newport, which may be a creek in one of the locations called Newport, or simply a creek so named but without a connection to a place called Newport. There is a low level of conceptual similarity between the marks NEWPORT and NEWPORT CREEK. In relation to the other of the earlier marks, there is the added dimension of the descriptive strapline which gives the mark a USA flavour, not present in the other earlier mark. This may cause the average consumer to think of an American rather than a UK place called Newport. Both of the earlier marks reference a place called Newport, but the image created by the application is of a stream or inlet.

Distinctive character of the earlier marks

20. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*¹ the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in *Joined*

¹ Case C-342/97.

Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

21. The opponent has not filed any evidence that it is using its mark, so I only have to consider the position of distinctiveness from the inherent point of view. The opponent submits:

"Firstly, it should be noted that the NEWPORT trade mark is highly distinctive within the relevant industry, and is in no way descriptive of any of the characteristics of the goods at issue."

and

"Newport is a geographical place name (denoting many different places with the same name)..."

and

"The exclusivity of the Opponent's earlier rights is evidenced by the fact that they have very exclusive registered rights on the UK register in relation to goods in Class 24. When the term NEWPORT is entered into the UK IPO online search facility in relation to Class 24 goods, only the Opponent's earlier registered trade marks are located, and the opposed Application."

22. This last point could be looked at from the opposite direction. The lack of 'Newport' trade marks could be explained by the fact that Newport is a geographical location and that geographical locations may, under section 3(1)(c) of the Act²,

² "3.— (1) The following shall not be registered –

- (a) ...
- (b) ...
- (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
- (d) ...

designate a characteristic of goods or services (geographical origin), and thereby be excluded from registration. The opponent's CTMs are registered and are, therefore, valid under the terms of Article 99(1) of the Community Trade Mark Regulations³. The judgment of the CJEU in *Formula One Licensing BV v OHIM* Case C-196/11P indicates that a registered trade mark must be considered to have at least a minimum degree of distinctive character. In this case, Newport is the name of at least three locations in the UK; one of which is a city in South Wales. Accordingly, far from being a highly distinctive mark, I accord the first of the earlier marks (for the word NEWPORT) very low distinctiveness⁴. The second earlier mark hints at referencing a US location called Newport because of the presence of the descriptive/laudatory words AUTHENTIC AMERICAN DESIGN, which slightly improves the position in relation to UK locations called Newport, although I would still pitch the inherent distinctiveness of this mark as low because NEWPORT is the dominant element, despite its cursive script which makes a marginal difference.

Likelihood of confusion

23. The applicant, in its counterstatement, points out that the way it uses its mark is different to the way the opponent uses its earlier marks. The assessment as to whether there is a likelihood of confusion can only be made on the basis of the marks as they have been registered and applied for because this is the basis for their owners' rights. This is called notional use. The CJEU, in *O2 Holdings Limited, O2 (UK) Limited v Hutchison 3G UK Limited*⁵, stated at paragraph 66 of its judgment that when assessing the likelihood of confusion under Section 5(2) it is necessary to consider all the circumstances in which the mark applied for might be used if it were registered.

24. Deciding whether there is a likelihood of confusion is not scientific; it is a matter of considering all the factors, weighing them and looking at their combined effect, in accordance with the authorities set out earlier in this decision. This includes keeping in mind the whole mark comparison, because the average consumer perceives trade marks as wholes and rarely has the opportunity to compare marks side by side, relying instead upon the imperfect picture he has of them in his mind. One of the principles in the authorities states that a lesser degree of similarity between goods and services may be offset by a greater degree of similarity between the trade marks, and vice versa (*Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc.*). I

Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it."

³ Council Regulation (EC) No 207/2009 of 26 February 2009 on the Community trade mark: "The Community trade mark courts shall treat the Community trade mark as valid unless its validity is put in issue by the defendant with a counterclaim for revocation or for a declaration of invalidity."

⁴ See the decision of Mr Justice Arnold in *Whyte and Mackay Ltd v Origin Wine UK Ltd and Another* [2015] EWHC 1271 (Ch): "As counsel for the Appellant rightly conceded, *Formula One* establishes that, since its validity has not been challenged, the Word Mark must nevertheless be deemed to have the minimum degree of distinctive character for it to be validly registered; but no more than that."

⁵ Case C-533/06.

have found that the parties' goods are identical and highly similar. Similarity of marks and goods are two of the relevant factors in the global assessment as to whether there is a likelihood of confusion. The distinctiveness of the earlier marks is also a consideration because there is a greater likelihood of confusion where an earlier mark has a highly distinctive character (either per se or because of the use that has been made of it). The corollary of that is that the likelihood of confusion is reduced where the earlier mark is not very distinctive.

25. Weighing all the factors identified earlier in this decision, I come to the view that the low levels of distinctiveness of the earlier marks, coupled with the semantic differences between them and the application, will sufficiently mitigate any risk that the average consumer will directly confuse the marks, even paying only an average degree of attention to the purchase of identical goods. The absence or addition of creek and the context which that provides will not be overlooked or wrongly recalled. There is also no likelihood of 'indirect' confusion. This type of confusion was described in *L.A. Sugar Limited v By Back Beat Inc*, BL O/375/10 by Mr Iain Purvis, sitting as the Appointed Person:

"16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: "The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right ("26 RED TESCO" would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as "LITE", "EXPRESS", "WORLDWIDE", "MINI" etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ("FAT FACE" to "BRAT FACE" for example)."

The common element Newport is so low in distinctive character that it cannot fall into category (a), and categories (b) and (c) do not apply either. Without applying the categories in an exhaustive sense, for all the reasons I have identified throughout this decision, the average consumer will not assume that there is an economic connection between the parties. They will not assume that one mark is a mark in the same range, a brand extension, or a sub brand. There is no likelihood of confusion. The opposition fails.

Outcome

26. The opposition fails.

Costs

27. The applicant has been successful and is entitled to a contribution towards its costs, in line with the scale of costs published in Tribunal Practice Notice 4/2007. The applicant is unrepresented and, apart from filing its counterstatement, played no further part in the proceedings, beyond sending a very short letter saying it relied upon its counterstatement (which was brief). It is appropriate to reduce the scale costs awarded to reflect the fact that the applicant has not had the cost of legal representation and to ensure that the award does not amount to more than the applicant's expenditure in defending its application. Accordingly, I order Newport Collection AB to pay Deyongs Limited the sum of £100 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 8th day of September 2015

**Judi Pike
For the Registrar,
the Comptroller-General**