

# O-223-16

TRADE MARKS ACT 1994  
IN THE MATTER OF  
OPPOSITION No. OP000403585  
IN THE NAME OF NEWPORT COLLECTION AB  
TO TRADE MARK APPLICATION No. 3073578 FOR NEWPORT CREEK  
IN THE NAME OF DEYONGS LIMITED

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## DECISION

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### Introduction

1. This is an appeal against decision O-422-15 of Hearing Officer Ms. Judi Pike, acting for the Registrar, dated 8 September 2015 (the "Decision"). The Hearing Officer rejected the opposition and held that the Applicant's mark NEWPORT CREEK should be registered on the grounds that it was not confusingly similar with the Opponent's earlier marks under s.5(2)(b) Trade Marks Act 1994.
2. On this appeal the Opponent confined its submissions to reliance on one of its two earlier marks, CTM 9531881 NEWPORT, in my view rightly conceding that if it could not succeed based on this prior registration, it was unlikely to be able to do so in respect of its CTM 9529298 "NEWPORT AUTHENTIC AMERICAN DESIGN" stylised mark.
3. Accordingly the relevant marks for the purposes of this appeal are as follows:

#### Applicant's Mark

NEWPORT CREEK for *cushions* in Class 20 and *bedlinen* in class 24

#### Opponent's Mark

NEWPORT for *Textiles and textile goods, not included in other classes; bed cloths and table covers* in Class 24

4. The Opponent appeals on two basis. First that the Hearing Officer erred by incorrectly holding that the earlier marks had a very low inherent distinctive character

and conceptual similarity because Newport is a geographical place. On this basis the Opponent submits that I should reassess the likelihood of confusion afresh.

5. Second, that even in the absence of the error alleged above, the Hearing Officer erred by incorrectly applying the case law on confusing similarity.
6. A number of issues are not in dispute. The Opponent did not challenge the following aspects of the Hearing Officer's Decision:
  - (a) the summary of the relevant law set out in paragraph 7 of the Decision;
  - (b) the finding in paragraphs 9 and 11 of the Decision that the relevant goods are either identical (bed linen vs. textile goods, bed cloths) or highly similar (cushions vs. textile goods);
  - (c) the finding in paragraph 14 of the Decision that the primary perception of the marks will be visual and that purchase of the relevant goods will entail no more than an average degree of attention;
  - (d) the finding in paragraph 18 of the Decision that there is a medium degree of visual and oral similarity between NEWPORT and NEWPORT CREEK.
7. Before the Hearing Officer neither party chose to be heard and the decision was made on the papers. Before me at a hearing on 24 April 2016 the Opponent was represented by Mr Jonathan Moss of counsel instructed by Potter Clarkson and the Applicant represented itself by Mr Sean Cook. There was no Respondent's Notice and Mr Cook for the Applicant submitted that the Hearing Officer was correct for the reasons she gave.

### **The Standard of Appeal**

8. The Opponent accepted that to succeed on appeal it needed to identify an error of principle or misdirection of the law. As Daniel Alexander QC, sitting as the appointed person, noted in *Digipos Store Solutions Group Limited v. Digi International Inc* [2008] RPC 24 at paragraph 5, neither surprise at a Hearing Officer's conclusion nor a belief that [s]he has reached the wrong decision suffice to justify interference by this court. However, if an error of principle of law can be identified in part of the Hearing Officer's multifactorial analysis, then it is open to me to consider the matter afresh, particularly in a case such as the present where there was no evidence or witnesses below.

9. To this should be added the recent decision of Geoffrey Hobbs QC in *Alti*- O-169-16 at paragraphs 19-20 where he referred to the general applicability of the observations of Lord Neuberger PSC in *Re B (a child) (Care Order Proceedings)* [2013] UKSC 33 at paragraphs 93 and 94:

[93] There is a danger in over-analysis, but I would add this. An appellate judge may conclude that the trial judge's conclusion on proportionality was (i) the only possible view, (ii) a view which she considers was right, (iii) a view on which she has doubts, but on balance considers was right, (iv) a view which she cannot say was right or wrong, (v) a view on which she has doubts, but on balance considers was wrong, (vi) a view which she considers was wrong, or (vii) a view which is unsupportable. The appeal must be dismissed if the appellate judge's view is in category (i) to (iv) and allowed if it is in category (vi) or (vii).

[94] As to category (iv), there will be a number of cases where an appellate court may think that there is no right answer, in the sense that reasonable judges could differ in their conclusions. As with many evaluative assessments, cases raising an issue on proportionality will include those where the answer is in a grey area, as well as those where the answer is in a black or a white area. An appellate court is much less likely to conclude that category (iv) applies in cases where the trial judge's decision was not based on his assessment of the witnesses' reliability or likely future conduct. So far as category (v) is concerned, the appellate judge should think very carefully about the benefit the trial judge had in seeing the witnesses and hearing the evidence, which are factors whose significance depends on the particular case. However, if, after such anxious consideration, an appellate judge adheres to her view that the trial judge's decision was wrong, then I think that she should allow the appeal.

### **The First Ground of Appeal – Newport as a Geographical Location**

10. The Opponent's first ground of appeal focussed on the Hearing Officer's observations in relation to Newport in the Opponent's mark as a geographic name. The Opponent alleged that the Hearing Officer had improperly applied the current law and practice on geographical locations and that this lead to an incorrect application of how inherent distinctiveness should be considered.
11. The main criticism was directed at the findings of the Hearing Officer in paragraph 22 of the Decision, where, under the heading "Distinctive character of the earlier marks", the Hearing Officer stated:
22. ...The opponent's CTMs are registered and are, therefore, valid under the terms of Article 99(1) of the Community Trade Mark Regulations<sup>3</sup>. 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 distinctiveness<sup>4</sup>.

<sup>3</sup>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."

<sup>4</sup>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."

12. The Opponent criticised in particular the finding of the Hearing Officer that NEWPORT should be accorded very low distinctiveness. The Opponent submitted that she had erred in so finding for two reasons. First because she had wrongly diluted the impact of NEWPORT because that name has no association with the goods for which registration is sought. The Opponent also submitted that she had wrongly applied a test relevant to the registrability of the prior mark to the test under s.5(2)(b).
13. As to the first criticism, it is right that there was no evidence that the city of Newport in Wales (or any other Newport locations for that matter) have anything to do with the goods for which the Opponent's marks are registered, namely textiles. However, there is also no suggestion that the Hearing Officer wrongly attributed a particular connection between Newport and textiles. I therefore dismiss this criticism.
14. However I think there is more weight in the second criticism of the Opponent. It is correct that the Hearing Officer had to attribute a level of distinctiveness to the word NEWPORT, but is unclear why she reached a finding that it could only be attributed "very low distinctiveness". The Opponent pointed to a number of potential errors in the reasoning of the Hearing Officer, as follows.
15. In paragraph 22 of the Decision, having noted the evidence of the Opponent that there were no other marks in Class 24 apart from those of the Applicant and the Opponent, the Hearing Officer suggested that this might be because Newport is a geographical location and that geographical locations may, under s.3(1)(c) of the Act be excluded. This is a possible explanation for the absence of other Newport

marks in class 24, but it is somewhat speculative; an alternative (and equally speculative) explanation is that no-one else had thought of using Newport in relation to goods in class 24 and it is therefore distinctive.

16. I do not consider that there was proper basis for the Hearing Officer to alight on the first of these possibilities, as the remainder of paragraph 22 suggests she did. There was therefore no justification for minimising the distinctiveness of the NEWPORT mark merely because there were no other goods using such a mark in Class 24. The fact that there were no other NEWPORT marks in class 24 does not of itself support a finding of very low distinctiveness; indeed it could be said to do the opposite.
17. The Opponent also submitted that any reference to s.3(1)(c) in the Decision amounted to an error on the part of the Hearing Officer because this case was an opposition and nothing to do with registrability. I reject this submission at its broadest level because the Hearing Officer did not expressly state that she was linking s.3(1)(c) to the issues central to the opposition. However the Hearing Officer followed this observation with a reference to Case 196/11P *Formula One Licensing BV v OHIM*. She correctly observed that according to this case, a registered trade mark must be considered to have a least a minimum degree of distinctive character. That is right insofar as it goes, but it is important to recognise that that case does not limit the distinctive character of the registered mark to the minimum degree. Thus an invented word mark such as KODAK would be attributed rather more than “minimum” distinctive character if being relied on as a prior registered right.
18. The Opponent emphasised the next two sentences in paragraph 22 where the Hearing Officer stated “*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 distinctiveness<sup>4</sup>.*” A number of issues arise from this passage.
19. Although I have rejected the broad submission that the Hearing Officer should not have referred to s.3(1)(c) at all, it does appear that she was attributing a very low level of distinctiveness based on the fact that Newport is a geographical location. As the Opponent pointed out, this does not follow for all geographical locations, and context is important. Thus BRAZIL might be a highly distinctive mark for computer software but not for coffee.
20. My concern is amplified by the Hearing Officer’s reference in footnote 4 of the Decision to the quote from paragraph 28 of *Whyte and Mackay Ltd v Origin Wine*

*UK Ltd and Another* [2015] EWHC 1271 (Ch) citing *Formula One*. This quote from paragraph 28 of the judgment of Arnold J. in *Whyte and Mackay Ltd* was taken from a discussion about the use of the word ORIGIN as a trade mark for wine. The Judge in that case pointed out that the average consumer would understand the word ORIGIN to be referring to the origin of the goods, whether geographical or trade, and that this was particularly non-distinctive in relation to wine or Scotch Whisky. He then went on to refer to *Formula One* for the proposition that a registered mark must nevertheless be deemed to have the minimum degree of distinctive character, “*but no more than that*”.

21. This emphasis on a minimum degree of distinctive character “*but no more than that*” appears to be of particular relevance to the facts of the case before Arnold J., where there were obvious reasons why ORIGIN might be thought of as barely distinctive for wine or Scotch Whisky. But I do not read either *Formula One* or *Whyte and Mackay* as suggesting that a minimum level of distinctiveness should be attributed as a general rule or principle and I consider it would be wrong to do so, as the KODAK and BRAZIL examples above make clear. Nevertheless, the Hearing Officer in the present case appeared to place weight upon these cases as supporting her finding of very low distinctiveness. To the extent that she did so, I consider she fell into error. The argument is at the very least circular, and cannot justify attributing a very low level of distinctiveness for a mark when there is no other reason for so doing.
22. In my opinion neither the fact that NEWPORT is a geographical location nor the *Formula One/Whyte and Mackay* case law provides sufficient justification for the finding of very low distinctiveness for the goods in issue, and on this basis I am entitled to assess afresh this aspect of the case and the resultant likelihood of confusion between the marks for the relevant goods. Even if, contrary to my primary view, this is not strictly an error of law or of principle, I consider that it falls within Lord Neuberger’s category (v) identified above.
23. I consider that NEWPORT for textile goods is a moderately distinctive mark. It is of course correct that there are a number of geographical locations called Newport, but as noted above there is no evidence of any link between these locations and textile goods, nor is there any other descriptive element in the mark. No doubt the inhabitants of or near any of the locations called Newport are used to the word being used more usually in a descriptive sense, but for the population as a whole I do not consider that the average consumer would attribute a low level of distinctiveness just because Newport is a geographical term. There are many other geographical

terms which would have much lower levels of inherent distinctiveness than NEWPORT generally or more particularly for goods in class 24.

24. As for the level of conceptual similarity between the marks, the Hearing Officer found that this was low. The Opponent suggested that this was a further error and was only reached because of her incorrect application of the law relating to geographical locations. The Hearing Officer touched upon this in paragraph 19 under the heading “Comparison of Marks”, where she pointed out that Newport is the name of at least three locations and went on to conclude that there was a low level of conceptual similarity between Newport and Newport Creek:

19. ...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.

25. The Opponent criticised this and submitted that the Hearing Officer ought to have found a higher level of conceptual similarity between the two marks. Although there was no express link made by the Hearing Officer between her reasoning in paragraphs 19 and 22 of the Decision, I consider that for the reasons given above in relation to geographical locations the Hearing Officer also wrongly downplayed the conceptual similarity between the marks. I do not consider that there is a high level of conceptual similarity between NEWPORT and NEWPORT CREEK, but neither do I consider that it is low – like the visual and oral similarity I consider that there is a medium degree because of the possibility that the consumer will perceive the creek to be situated in Newport.

### **Likelihood of Confusion**

26. As noted above, the goods are identical or highly similar and there is a medium degree of visual and oral similarity. I consider that there is a medium degree of conceptual similarity and that NEWPORT is moderately distinctive for goods in class 24.
27. The Applicant emphasised before me the separate word CREEK in the Applicant’s mark, and submitted that this gave an Australian flavour to the mark overall and was sufficient to avoid a likelihood of confusion. I have taken these arguments into

account when reaching my overall assessment. The Applicant also sought to emphasise the differences in use by the Applicant in real life of the NEWPORT CREEK mark. He showed me packaging displaying a NEWPORT CREEK logo which used a blue fresh-water lobster sign alongside the word mark now applied for, and submitted that there would be no confusion with the Opponent's mark by such use. That may be, but both the Hearing Officer and I are required to assess notional use of the two marks – as the Opponent put it, a shelf in a department store with two duvet covers packaged using only NEWPORT or NEWPORT CREEK. The question is whether there is a likelihood of confusion by such notional use – as the Hearing Officer correctly identified in paragraph 23 of the Decision.

28. The Hearing Officer reached her conclusion on likelihood of confusion in paragraph 25, where she stated:

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.

29. It is clear that the Hearing Officer placed significant weight on the very low level of distinctiveness as preventing a likelihood of confusion. Once my own views as to the moderate distinctiveness of the NEWPORT mark and the medium degree of conceptual similarity between the marks is substituted, the mitigation of risk referred to by the Hearing Officer is removed. Applying the principles set out by the Hearing Officer in paragraph 7 of the Decision, I consider that the identity/high similarity between the goods, coupled with the medium degrees of visual and oral similarity, conceptual similarity and distinctiveness mean that there is a likelihood of confusion when the marks are used in a notional sense side by side.

30. As the Opponent submitted, its NEWPORT “bed linen” could sit on the same shelf as the Applicant's NEWPORT CREEK “bed linen” in stores. Or the average consumer could see bed linen with NEWPORT CREEK and then NEWPORT on other textiles in the same store. In my view this would lead to a likelihood of confusion amongst consumers applying only an average degree of attention.

31. I also consider that there is a real risk of “indirect” confusion (see paragraph 25 of the Decision). Taking account of the common element NEWPORT in the marks, there is a real risk that consumers will consider that the Applicant's mark is another



brand or sub-brand of the Opponent. For these reasons the Opponent's appeal succeeds and I consider that the mark applied for should be refused.

### **The Second Ground of Appeal – Similarity of Marks and Goods**

32. I shall deal with the Opponent's second ground of appeal only briefly in the light of my conclusions as to the first ground. The Opponent alleges that even if there was no material error in the Hearing Officer's assessment of geographical location, she nevertheless failed to apply the law in relation to similarity of the marks and goods correctly and should have concluded that there was a likelihood of confusion.
33. As the Opponent accepted at the hearing, this effectively amounts to an invitation to me to reassess the material before the Hearing Officer in the absence of any tangible error of law or principle and come to an alternative conclusion. It is an unpromising starting point for an appeal, and had it been the only ground, I would have dismissed the appeal. Based on her earlier findings as to similarity, distinctiveness etc., I consider that the Hearing Officer was entitled to conclude that there was no likelihood of confusion between NEWPORT CREEK and NEWPORT in Class 24. However, for the reasons given above, I think she fell into error when assessing the inherent distinctiveness of NEWPORT and the related issue of conceptual similarity, and it is for this reason under the Opponent's first ground that I allow the appeal.

### **Conclusion**

34. The Opposition to Application No. 3073578 should have been upheld under section 5(2)(b) of the 1994 Act. I therefore allow the Appeal. The Hearing Officer's Decision is set aside and Opposition No. 000403585 is remitted to the Registrar for further processing in accordance with the provisions of the 1994 Act and the 2008 Rules as they apply to the refusal of successfully opposed applications for registration.

### **Costs**

35. As for costs, neither party submitted that there were any special circumstances arising in this case. The Hearing Officer awarded the Applicant £100 below on the basis that the proceedings below were relative streamlined. There was no evidence in the case and the only real costs arose out of the hearings themselves. The Opponent is professionally represented, whilst the Applicant represents itself. Taking into account the scale costs set out in TPN4/2007 and the payment already made by the Opponent, I direct the Applicant to pay to the Opponent the sum of £1200 in respect of the costs below and on this appeal, to be paid by the Applicant within 21 days of this decision.

Thomas Mitcheson QC  
The Appointed Person  
27 April 2016

The Applicant was represented by Sean Cook.

The Opponent was represented by Jonathan Moss, instructed by Potter Clarkson.

The Registrar took no part in the Appeal.