O/0933/26

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00004034035
BY SWOOSHTRANSFER LTD
TO REGISTER:

playnextoys

AS A TRADE MARK IN CLASS 28

AND

IN THE MATTER OF THE OPPOSITION THERETO
UNDER NO. 448654
BY NEXT RETAIL LIMITED

BACKGROUND AND PLEADINGS

1. On 03 April 2024, SWOOSHTRANSFER LTD ("the applicant") applied to register the trade mark shown on the cover page of this decision, in the UK. The application was accepted and published in the Trade Marks Journal on 19 April 2024 in respect of the following goods:

> **Class 28:** *Toys; Toys, games, and playthings; Toys and playthings for pets; Cuddly toys; Puzzles [toys]; Stuffed toys; Radio-controlled toys; Plastic toys; Scooters [toys]; Toys, games and playthings for pet animals; Windup toys; Wooden toys; Model cars [toys or playthings]; Bendable toys; Toy playsets; Educational toys; Outdoor toys; Models being toys; Action figures [toys or playthings]; Drones [toys]; Musical toys; Mechanical toys; Toy furniture; Rocking toys; Stuffed animals [toys]; Stacking toys; Modular toys; Model toys; Battery-operated action toys; Children's toys; Construction toys; Smart toys; Toy tableware; Push toys; Toy xylophones; Assembly toys; Intelligent toys; Toy automobiles; Toy tools; Novelty toys for parties; Toys in the form of puzzles; Toy vehicles; Puzzle mats [toys].*

2. On 18 July 2024, the application was opposed in its entirety by Next Retail Limited ("the opponent") based upon Sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 ("the Act").

3. Under Section 5(2)(b) the opponent relies upon the following trade marks and goods and services:

UK00003934371 ("the first earlier mark")

NEXT

Filing date: 13 July 2023

Date of entry in register: 20 October 2023

Class 28: *Toys, games, playthings; dolls; clockwork toys; remote controlled toys; musical toys, inflatable toys; playthings for babies; articles of clothing for toys and dolls; board games; card games; dominoes; jigsaws; puzzles; craft model kits; hand-held electronic games; games consoles, VR and gaming controllers; video game apparatus; computer games apparatus; balls for playing games and sports; golf tees; floats, boards, rings and flippers for bathing and swimming; skateboards; roller skates; shin guards, wrist, knee and elbow protectors for sports use; bags specially adapted for sports equipment; decorations for Christmas trees; Christmas trees of synthetic materials; artificial snow for Christmas trees; Christmas crackers; paper hats for parties; party games, balloons, poppers and streamers; novelty masks (playthings); confetti.* The opponent also relies on its class 35 services which include retail services at large, namely the term *Retail services, wholesale and franchise services, including those services offered via physical stores, via e-commerce, online, via mobile devices and social media, via television channel, and by direct marketing and mail order catalogue.*
UK00904214888[1] ("the second earlier mark") NEXT Filing date: 23 December 2004 Date of entry in register 18 January 2006 **Class 28:** *Games and playthings; gymnastic and sporting articles not included in other classes; decorations for Christmas trees, excluding pogo sticks.*

4. By virtue of their earlier filing dates, the trade marks relied upon by the opponent are earlier marks in accordance with Section 6 of the Act. Only the opponent's second earlier mark had been registered for more than five years at the filing date of the

[1] This is a comparable mark based on earlier EUTM. On 1 January 2021, in accordance with Article 54 of the Withdrawal Agreement between the UK and the European Union, the UK IPO created comparable UK trade marks for all right holders with existing EUTM. This comparable mark enjoys the same filing and registration dates as its European counterpart.

contested mark, and as such, it is caught by the use conditions under Section 6A of the Act.

5. Under Section 5(2)(b), the opponent claims that *"as a result of the high level of similarity between the marks and the identity and similarity of the goods and services, it is submitted that there exists a likelihood of confusion on the part of the public on the basis that the public will see this as a purely promotional slogan from the opponent, encouraging people to play with Next toys."*

6. Under Section 5(3), the opponent relies upon the first earlier mark and claims to have a reputation for its class 35 services. The opponent's Section 5(3) claim is as follows (emphasis added):

> *"The Opponent submits that the similarity between playnextoys and NEXT (upper case stylised) would cause the relevant public to believe that there is an economic connection between the parties, when this is not the case. As the goods covered by the opposed trade mark are identical, similar and complementary to the services for which the Opponent has a reputation, so there is a serious likelihood that the relevant consumer, confused as to the originator of the goods, may change their economic behaviour as a result and this would cause damage to the Opponent's brand. The Opponent is unaware of any reason why the Applicant would have due cause to use such a similar trade mark in relation to the goods of interest."*

7. The opponent also submits that use of the applicant's mark would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the opponent's mark.

8. The applicant filed a defence and counterstatement denying the claims made with the exception of the identity/similarity of the goods in class 28 which is admitted. In this connection, the applicant sates as follows: *"The Applicant admits that the Class 28 goods covered by the Application are identical and/or similar to at least some of the Class 28 goods covered by the Opponent's Marks".* In addition, the applicant put the opponent to proof of use in respect of the second earlier mark.

9. The applicant is represented by Simmons & Simmons LLP, and the opponent is represented by Marks & Clerk LLP.

10. Only the opponent filed evidence. Neither party requested a hearing, and only the opponent filed written submissions in lieu of a hearing. I make this decision having taken full account of all the papers, referring to them as necessary.

Relevance of EU Law

11. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

EVIDENCE

12. The opponent's evidence came in the form of a witness statement from Ian Blackwell dated 25 November 2024. Mr Blackwell is the Legal and Compliance Director of the opponent, and his witness statement is accompanied by 14 exhibits being those labelled Exhibits IB1-IB14.

13. I confirm that I have taken all filed documents into account and will summarise them to the extent that I deem necessary below.

My Approach

14. Although the opponent relies on two earlier marks, the first earlier mark (i.e. the one that is not subject to proof of use) represents the best-case scenario for the opponent, because it has a broader specification. Admittedly, the word 'NEXT' is slightly stylised in the first earlier mark, however, given that the applied-for mark is a word only mark that can be presented in any font (included that used in the first earlier mark), the second earlier mark (which is also a word mark) is not materially better than

the first earlier mark. Hence, I will carry out my assessment based on the first earlier mark only.

DECISION

Section 5(2)(b)

15. Section 5(2)(b) of the Act reads as follows:

> "5(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."

16. The following standard summary of the principles applicable to the assessment of the likelihood of confusion was approved by the Supreme Court in *Iconix Luxembourg Holdings SARL v Dream Pairs Europe Inc & Anor*, [2025] UKSC 25:

> (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, in certain circumstances, be dominated by one or more of its components;

(f) and beyond the usual case, where the overall impression created by a mark depends heavily on the dominant features of the mark, it is quite 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 greater 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; and
(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

Comparison of goods

17. In *Gérard Meric v Office for Harmonisation in the Internal Market,* Case T-133/05, the 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 für 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."

18. The competing goods and services are as follows:

The applied-for goods	**The opponent's goods and services**
Class 28: *Toys; Toys, games, and playthings; Toys and playthings for pets; Cuddly toys; Puzzles [toys]; Stuffed toys; Radio-controlled toys; Plastic toys; Scooters [toys]; Toys, games and playthings for pet animals; Windup toys; Wooden toys; Model cars [toys or playthings]; Bendable toys; Toy playsets; Educational toys; Outdoor toys; Models being toys; Action figures [toys or playthings]; Drones [toys]; Musical toys; Mechanical toys; Toy furniture; Rocking toys; Stuffed animals [toys]; Stacking toys; Modular toys; Model toys; Battery-operated action toys; Children's toys; Construction toys; Smart toys; Toy tableware; Push toys; Toy xylophones; Assembly toys; Intelligent toys; Toy*	**Class 28:** *Toys, games, playthings; dolls; clockwork toys; remote controlled toys; musical toys, inflatable toys; playthings for babies; articles of clothing for toys and dolls; board games; card games; dominoes; jigsaws; puzzles; craft model kits; hand-held electronic games; games consoles, VR and gaming controllers; video game apparatus; computer games apparatus; balls for playing games and sports; golf tees; floats, boards, rings and flippers for bathing and swimming; skateboards; roller skates; shin guards, wrist, knee and elbow protectors for sports use; bags specially adapted for sports equipment; decorations for Christmas trees; Christmas trees of synthetic*

automobiles; Toy tools; Novelty toys for parties; Toys in the form of puzzles; Toy vehicles; Puzzle mats [toys].	*materials; artificial snow for Christmas trees; Christmas crackers; paper hats for parties; party games, balloons, poppers and streamers; novelty masks (playthings); confetti.* **Class 35:** [….] *Retail services, wholesale and franchise services, including those services offered via physical stores, via e-commerce, online, via mobile devices and social media, via television channel, and by direct marketing and mail order catalogue.*

19. The opponent's specification covers *toys* at large. It also covers *games, playthings*. All of the applied-for terms are types of toys. As such, they all fall within the opponent's registered term *toys* and are identical on the principle outlined in *Meric*. Alternatively, the opponent's retail services include services relating to the sales of the applicant's goods (i.e. toys, games and playthings). In *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46-57, the General Court held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree. Accordingly, the goods and services are similar to a medium degree.

Average consumer

20. 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.

21. In *Iconix Luxembourg Holdings* (cited above), the Supreme Court approved the comments of Arnold LJ in *Lidl Great Britain Ltd & Anor v Tesco Stores Ltd & Anor (Rev1)* [2024] EWCA Civ 262, where he pointed out that:

> (a) Consumers who are ill-informed or careless, or consumers with specialised knowledge or who are excessively careful are excluded from consideration;
>
> (b) The average consumer provides a standard which enables the courts to strike a balance between the competing interests involved, such as trade mark owners, their competitors and consumers;
>
> (c) The average consumer is neither a single hypothetical person nor a mathematical average; assessment from the perspective of the average consumer does not involve a statistical test. There is no single meaning rule and if, having regard to the perceptions and expectations of the average consumer, the court considers that a significant proportion of the relevant public is likely to be confused, a finding of infringement may properly be made;
>
> (d) Assessment from the perspective of the average consumer is intended to facilitate adjudication of trade mark disputes by providing an objective criterion, by promoting consistency of assessment and by and enabling courts and tribunals to determine such issues so far as possible without the need for evidence;
>
> (e) The average consumer's level of attention varies according to the category of goods or services in question; and
>
> (f) the average consumer rarely has the opportunity to make direct comparisons between trade marks (or between trade marks and signs) and must instead rely upon the imperfect picture of the trade mark they have kept in their mind.

22. The average consumer for the goods and services will be a member of the general public. The level of attention paid by the average consumer is likely to be average as a number of factors will be given consideration (for example, the target age group for

the product). These purchases are likely to vary from fairly frequent to infrequent, depending on the nature of the goods being purchased.

23. The goods are, in my experience, most likely to be obtained by self-selection from the shelves of a retail outlet or from an online or catalogue equivalent. The services will be selected from websites or from signage outside shops. Consequently, visual considerations are likely to dominate the selection process. However, I do not discount that there may be an aural component to the purchase of the goods, given that advice may be sought from a sales assistant.

Comparison of marks

24. 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 CJEU 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."

25. It would be wrong, therefore, to artificially dissect the trade marks, although 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. The respective marks are shown below:

The applied-for mark	The opponent's mark
playnextoys	NEXT

Overall impression

The opponent's mark

26. The opponent's mark is a figurative mark consisting of the word 'NEXT' presented in capital letters, in a slightly stylised typeface. The stylisation of the mark is so banal that is nearly negligible and the overall impression of the mark lies in the word 'NEXT'.

The applicant's mark

27. In its counterstatement, the applicant states that the applied-for mark is visually, aurally and conceptually dissimilar to the opponent's mark. In particular, the applicant argues that its mark will be perceived as an invented word with no meaning, whereas the opponent's mark is an everyday word *meaning "being the first one after the present one or after the one just mentioned".* The applicant further states that *"in circumstances such as these, where only one of the marks at issue evokes a concept, the signs must be considered conceptually dissimilar".* The applicant also says that its mark consists of 11 characters with no separate or distinct components and denies that it consists of the word "next" between two descriptive words as alleged by the opponent stating that the opponent's argument is an attempt to artificially dissect the applicant's mark and is contrary to established case law. Lastly, the applicant submits that even in the highly unlikely event that consumers did attempt to dissect the mark, and identified the words "play" and "toys" in the applicant's mark, the remaining characters in the applicant's mark are "-nex-" and not "-next-".

28. Conversely, in its submissions in lieu the opponent states:

> *"We acknowledge that the Application mark only contains one letter "t" and therefore technically consists of either of the following combinations of elements "play-next-oys" or "play-nex-toys". However, given the close proximity of the words, and as consumers understand the words "play", "next" and "toys" are all known English dictionary words, it is argued that the consumer would either miss that the trade mark only contains a single letter "t" (as they perceive a mark as a whole and does not analyse its various details), or automatically fill in the gap by adding the additional letter "t" to either the word "next" or "toys".*
>
> *When assessing each word element present in the Application mark in the context of the specific goods covered by the Application, it is also clear that the words "play" and "toys" have an entirely descriptive meaning. The goods covered by the Application are various toys and playthings covered under class 28, therefore the words "play" and "toys" directly describe a characteristic of all of these goods. On the other hand, the last remaining word "next" has no direct descriptive meaning in relation to the goods specified. As a result, it is argued that the sole distinctive component of the Application mark is the word "next", which consumers would therefore pay greatest attention to within the overall Application mark".*

29. I agree with the opponent that the fact that the words are joined together without spaces does not prevent consumers from recognising the individual elements; as such, the opponent's mark will be understood as representing the three ordinary dictionary words 'play', 'next' and 'toys'.

30. As regards the applicant's argument that one of the 'T' is missing, I agree with the opponent that this is likely to be overlooked by the average consumer. Alternatively, the average consumer having identified the three words 'play', 'next' and 'toys', it will understand that the word 'next' ends in the letter 'T' and that the next word 'toys' begins with the same letter 'T' so that the two letters 'T' have been linked; accordingly, the average consumer will conclude that instead of writing the 'T' twice, it has been written

only once. I consider that the overall impression of the mark is as a representation of three separate words (albeit with one letter missing) with neither word dominating.

Visual similarity

31. Visually, the marks coincide in the sequence ‘next’ which represents the totality of the opponent’s mark and the fifth, sixth, seventh and eight letter which appears in the middle of the applied-for mark. The marks differ in the word ‘play’ and the sequence ‘-oys’ which appears at the beginning and the end of the applied-for mark, respectively. Lastly, the stylisation of the opponent’s mark does not add a material difference because the applicant’s mark is a word-only mark and can be presented in any font.

33. Bearing in mind the different structure and length of the marks (11 letters versus four letters, three words conjoined versus one word), and the fact that the shared element ‘next’ is placed in the middle of the applicant’s mark, which reduces its visual impact (beginnings of marks being where consumers’ attention tends to focus), I consider the marks to be visually similar to a low degree.

Aural similarity

34. Similar considerations apply to the aural similarity between the marks. Accordingly, I consider the marks to be similar to a low degree.

Conceptual similarity

35. The opponent states that conceptually, its mark ‘NEXT’ will be understood as meaning *"coming immediately after*", whilst the applicant’s mark "playnextoys" would be understood as *"the toy or plaything coming immediately after".* The opponent also states that as a result, the signs coincide in meaning and would be considered conceptually similar to a high degree, given that they differ only in relation to purely descriptive and non-distinctive elements, namely the word ‘play’ and the word ‘toys’.

36. I have already concluded that the applicant’s mark "playnextoys" will be perceived as made up of the three ordinary dictionary words ‘play’, ‘next’ and ‘toys’. ‘Next’ has

an identifiable meaning in English, referring to what follows a sequence. ‘Play’ is readily understood as referring to the activity of playing. ‘Toys’ identifies the goods themselves. Whilst the words ‘play’ and ‘toys’ taken in isolation have limited or no distinctiveness in relation to the goods at issue, which are toys (and are used for playing), they appear in the applicant’s mark within ‘PLAYNEXTOYS’. Even where the consumer reads ‘PLAYNEXTOYS’ as the expression ‘play next toys’, such expression is not a natural, immediately meaningful phrase in English. Insofar as ‘NEXT’ will convey in both marks an idea of what comes next, this creates a degree of conceptual similarity between the marks. However, the presence of the additional descriptive words ‘PLAY’ and ‘TOYS’ in the application makes ‘NEXT’ embedded in a longer expression; having said that, ‘next toys’ sounds less natural as a standalone expression than, for example, ‘next game’. This is because a game is an activity that can naturally be understood as one game in a succession of games, and has therefore a familiar, readily understood meaning. Instead, with toys, the idea of a succession is less obvious: the question I would ask myself as an average consumer is why are these toys ‘next’? Admittedly, English speakers can naturally say: “the ‘next’ toys we buy”, for example. However, the awkwardness arises here because ‘next toys’ is presented without context and is preceded by the word ‘play’; whilst “play a game” and ‘play with toys’ are natural expressions, ‘play next toys’ is not. Accordingly, I find that the expression ‘PLAY NEXT TOYS’ is unusual and does not convey a clear, conventional meaning as a whole, which means that the conceptual construction and overall impression conveyed by the mark is uncertain, even though the mark is presented as a unitary expression. Overall, I consider the marks to be conceptually similar to a medium degree.

Distinctive character of the earlier mark

37. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV,* Case C-342/97, 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 Cases C-108/97 and C-109/97 *WindsurfingChiemsee* 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)."

38. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words, which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it.

39. The opponent's mark consists of the word 'NEXT' presented in slightly stylised font. The word 'NEXT' is a very common English word, nevertheless it is neither descriptive nor allusive of the goods at issue here, i.e. toys. Accordingly, I consider that the opponent's mark has a medium degree of inherent distinctiveness.

40. As the opponent has filed evidence, I will now turn to consider whether the evidence filed is sufficient to establish that the distinctiveness of the opponent's mark has been enhanced through use in the UK.

41. Mr Blackwell says that the applicant is a wholly owned subsidiary of Next Holdings Ltd whose parent company is Next Plc. The latter is a public listed company, which

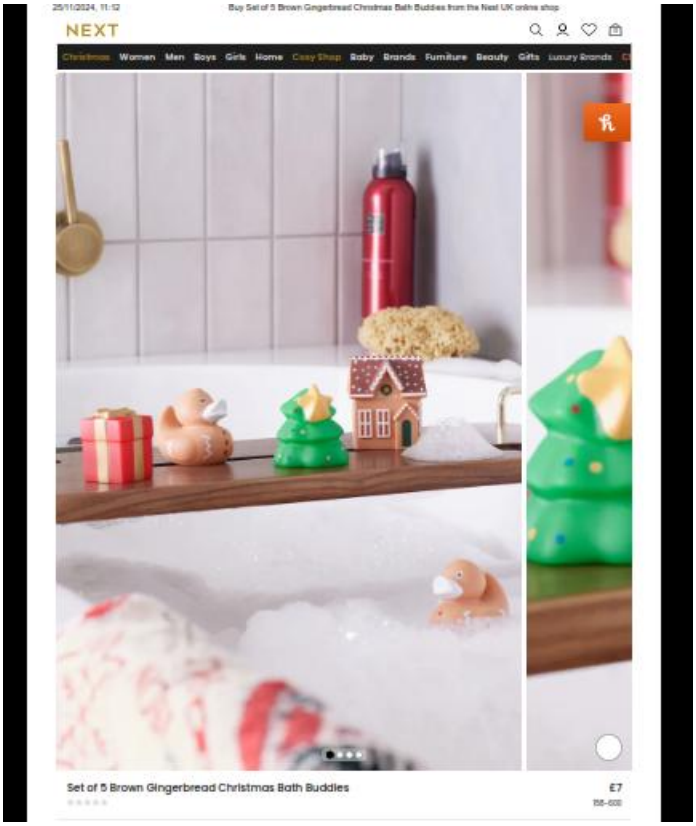
has been listed in the top 100 companies on the London Stock Exchange for a number of years.

42. Mr Blackwell says that the applicant has used the 'NEXT' mark in relation to the retail of a wide range of goods, including toys, games and playthings sold online and through outlets owned or controlled by Next Holdings Limited. He also says that Next is one of the largest retail conglomerates by sales in the UK, that is listed on the London Stock Exchange, and it is a constituent of the FTSE 100 Index.

43. Annual turnover figures for the period 2019-2024 are as follows: £4.2billion (2019); £4.4billion (2020); £3.5billion (2021); £4.9billion (2022); £5.4billion (2023); £5.8billion (2024). Information is also provided about the percentage of online sales versus in-store sales, and the split between sales of 'NEXT' - branded products and sales of third-party products.

44. Mr Blackwell provides a breakdown, per year and per season (AW = Autumn/Winter; SS = Spring/Summer), of NEXT-branded products sold by Next under the categories of toys, games and playthings in both retail (store) and online sales between 2019 and 2024.[2] Mr Blackwell points out that *"substantial revenue was generated per year via sales of these products, and in particular […] it is shown that Next sold a total of 1,519,653 toy, games and playthings during the relevant period via online sales only*." The toys which are said to have been sold under the brand 'NEXT' are a limited range of products most of which are bath toys, soft toys, Christmas themed toys, Halloween themed toys and rattles. Examples are provided, however, none of them show the mark 'NEXT' affixed on the products or packaging. I have reproduced one example below:

[2] Exhibit IB7



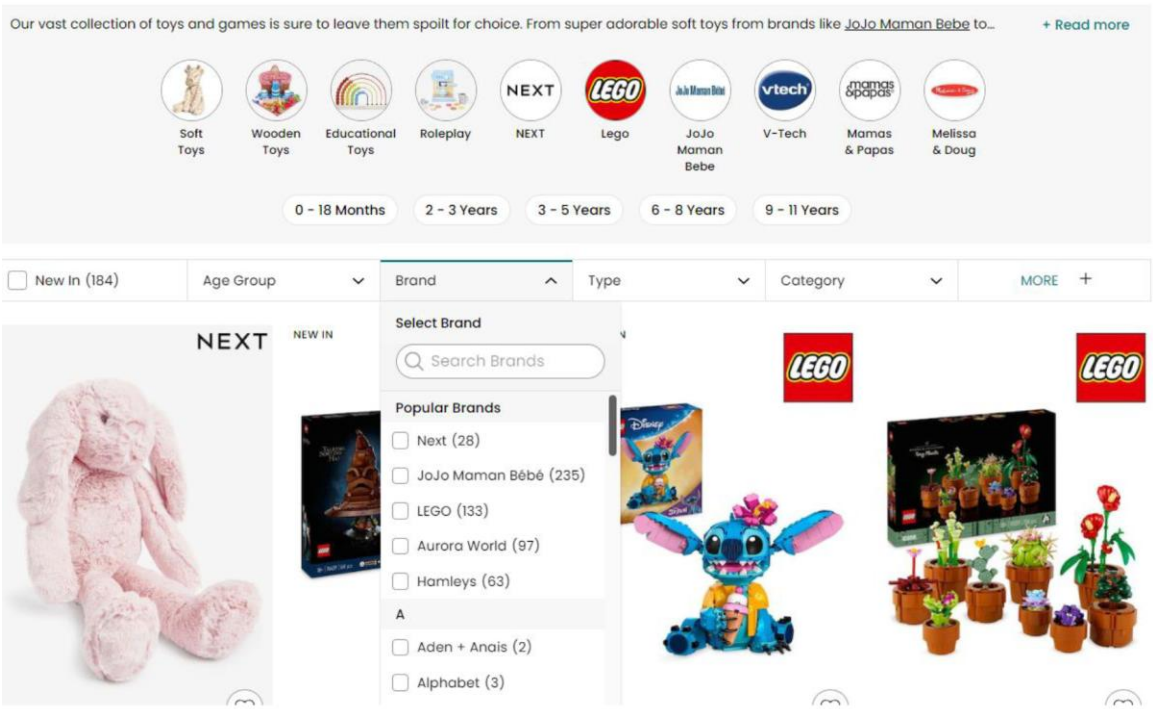
45. As it can be seen, whilst ‘NEXT’ appears on the website as the trade mark signifying the retailer, it does not appear on the goods themselves; neither does it appear in the product description.

46. Likewise, in relation to Exhibit IB5, I note that Mr Blackwell says that this exhibit displays “*a non-exhaustive sample of the toys and games offered for sale by the opponent [between 2019 and 2020]* ***under the NEXT mark”,*** however, the pages exhibited (which were supposed to show ‘NEXT’ branded toys and games) actually relate to goods sold under third party brands:

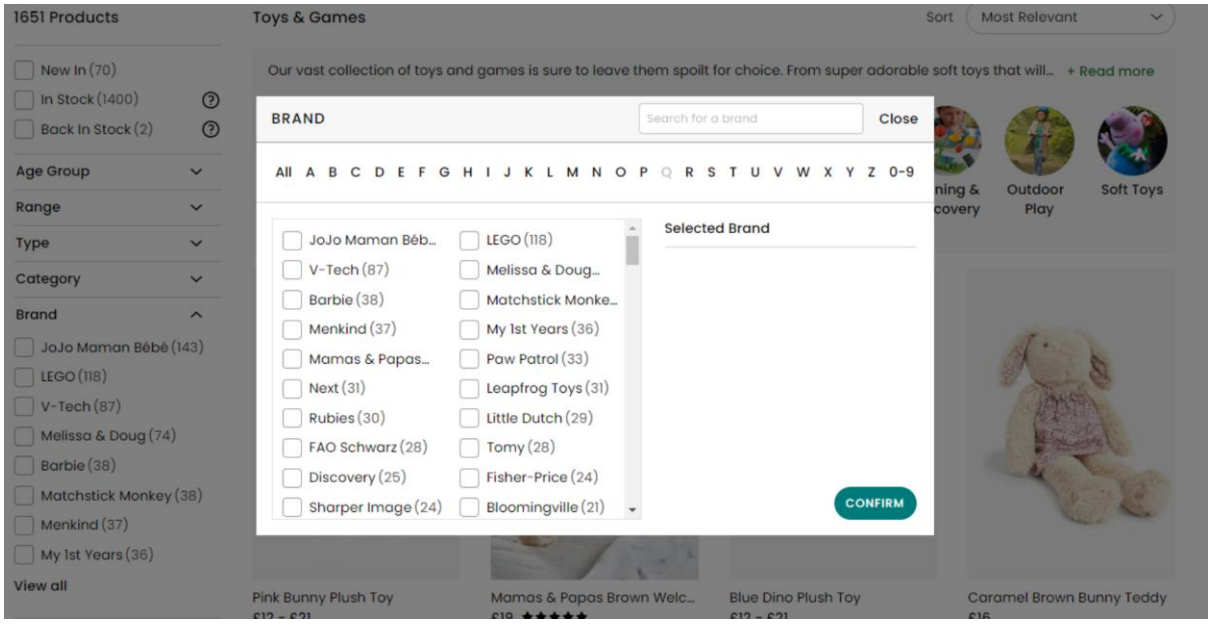


47. Further, most of the evidence about toys and games sold by 'NEXT' appear to relate to well-known third-party brands, such as Mamas & Papas and Lego.[3] In this connection, I note that the page reproduced below indicates that of the toys and games offered for sale by NEXT, only 28 appear to be branded NEXT; significantly, there are 5 other brands listed as the most popular brands showing 235, 133, 97 and 63 items available (for a total of 528 items), on the top of what appear to be categories of unbranded goods such as soft toys, wooden toys, educational toys and roleplay. Accordingly, of the total of 528 (which is a partial total) NEXT branded items represents only 5.3%.

[3] IB6



48. Another screenshot which I have reproduce below indicates that there were 1650 items in stock of the category toys and games, of which only 31 were branded NEXT.[4] This would amount to around 2%:



[4] EXhibit IB6

49. The rest of the evidence is all about NEXT as a retailer, and includes references to previous UKIPO decisions in which NEXT's reputation was found to subsist in relation to retail services. In particular, Mr Blackwell provides the following marketing figures which, he states, were spent to advertise and publicise the opponent's retail services under the 'NEXT' mark in the UK across multiple media: £75.8million (2017), £77.5million (2018), £79.6million (2019), £69.3million (2020), £101.8million (2021), £114.5million (2022), £125.3million (2023).

50. Mr Blackwell also provides copies of press articles and third-party publications dated between 2019 and 2024 which iterate that Next is recognised as a leader in the UK retail market.[5] These include (a) an article titled *"Next turns 40: From retail upstart to high-street bellwether"*; (b) an article which states *"U.K. apparel giant Next is generating substantial growth from its online marketplace for third-party brands*"; (c) an article which states: "*Next, indisputably, is a household name in the fashion retail sector"*; (d) an article which states "*Whatever Next? How a middle of the road high street chain became a retail powerhouse. It shook up shopping in the 80s and now it's doing it again. What's the secret of Britain's biggest online clothing retailer?";* (e) an article which states "*Next vs JD Sports: why did the retail giants tell two very different golden quarter stories?".*

51. In terms of ranking, Mr Blackwell provides the following table setting out NEXT's ranking for the UK most valuable brands between 2019 and 2024 (according to the Brand directory):

UK TOP 150 BRAND RANKING FOR NEXT	
Year	**Brand Ranking**
2024	54
2023	68
2022	58
2021	52
2020	52
2019	59

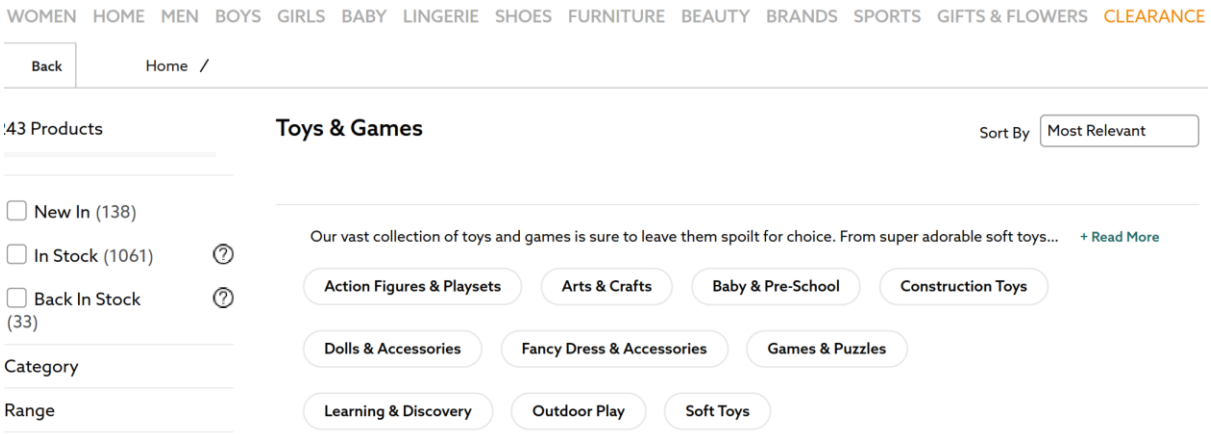
[5] Exhibit IB9

52. Mr Blackwell also provides a copy of the 2021 Kantar Brandz report[6] which provides details on the most valuable UK brands. The report places Next as the 24th most valuable brand in the UK, and is listed as falling within the "retail" category – this, Mr Blackwell states, indicates that NEXT has a particular reputation as being one of the most significant brands in the UK for providing its retail services. Another report produced by independent third-party GlobalData[7] details the top 50 global online retailers as of 2020; according to the report, NEXT was the 36th strongest global retailer by sales as of 2020.

53. Lastly, as regards the previous UKIPO decisions which recognised NEXT's reputation in relation to retail services, notably one of them recognises such reputation in relation to, among others, retail services for a broad range of goods including toys.

54. I do not intend to labour my assessment of the evidence about retail services, because plainly, the opponent has used the mark very extensively in relation to retail services. This is shown by (i) the turnover and marketing figures which are in the region of billions and millions respectively, (ii) the press articles which refer to NEXT as a *"high-street bellwether", a "U.K. apparel giant", "a household name in the fashion retail sector", "a retail powerhouse", "the Britain's biggest online clothing retailer*" and a *"retail giant"* and (iii) the ranking reports. Accordingly, I find that the distinctiveness of the opponent's mark has been enhanced to a high degree in relation to retail services. Admittedly, the category of toys and games does not appear to be the main focus of the opponent's retail services, which is clearly clothing, as shown by the references in the press articles to clothing and fashion retailer. Further, toys and games do not appear to be one of the main categories of goods offered by NEXT as shown by the navigation bar at the top of NEXT website, containing the following sections: women, home, men, boys, girls, baby, lingerie, furniture, beauty, brands, sports, gifts and flowers:

[6] IB11
[7] IB12



55. Nevertheless, toys and games are a category of goods offered by NEXT with a wide range of sub-categories being offered, including action figures and playsets, arts and crafts, baby and pre-school, construction toys, dolls and accessories, fancy dresses and accessories, games and puzzles, learning and discovery, outdoor play and soft toys. Further, the opponent has sold over 1.5 million toys, games and playthings between 2019 and 2024 via online sales only.

56. Accordingly, I am satisfied that the opponent's mark has acquired an enhanced degree of distinctiveness in relation to retail services for a broad range of goods including clothing, beauty products, sport products, gifts and flowers and toys, games and playthings and is distinctive to a high degree in relation to them.

Likelihood of confusion

57. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind, including that a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods (and services if applicable) and vice versa. I must keep in mind the distinctive character of the earlier mark, the average consumer for the goods and the nature of the purchasing process. I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

58. Confusion can be direct or indirect. In *L.A. Sugar Limited v By Back Beat Inc*, BL O/375/10, Mr Iain Purvis Q.C., as the Appointed Person, explained that:

> "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)."

59. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ approved Mr Purvis's formulation but added:

> "13. As James Mellor QC sitting as the Appointed Person pointed out in Cheeky Italian Ltd v Sutaria (O/219/16) at [16] 'a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion'. Mr Mellor went on to say that, if there is no likelihood of direct confusion, 'one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion'. I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion."

60. It is not sufficient that a mark merely calls to mind another mark: *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17. This is mere association not indirect confusion.

61. Earlier in this decision I found that:

- The marks are visually and aurally similar to a low degree, and conceptually similar to a medium degree.

- The parties' goods are identical; the applicant's goods are also similar to the opponent's retail services to a medium degree.

- The average consumer is a member of the general public who will select the goods mainly visually, with a medium degree of attention, but who may also rely on oral recommendations.

- The earlier mark is inherently distinctive to a medium degree. The evidence filed by the opponent is sufficient to establish that the distinctiveness of the earlier mark has been enhanced to a high degree in relation to retail services for a broad range of goods including clothing, beauty products, sport products, gifts and flowers and toys, games and playthings.

62. Given the low degree of visual and aural similarity I do not consider that the average consumer will confuse one mark for the other. This is also the opponent's view as it argues that *"the public will see [playnextoys] this as a purely promotional slogan from the opponent, encouraging people to play with Next toys".*

63. I have already found that the application will be understood as the representation of three words 'PLAY NEXT TOYS' and that although perceived as a unitary expression, 'PLAY NEXT TOYS' does not constitute a natural or conventional expression in English and it is unlikely to be perceived by the relevant public as conveying a clear, unitary meaning. In that context, it is unlikely that the word NEXT will be understood merely in its ordinary, dictionary sense. Rather given the medium degree of similarity between the applied-for goods and the opponent's retail services relating to the sale of toys, games and playthings (in relation to which the distinctiveness of the opponent's NEXT mark has been enhanced to a high degree), a significant proportion of the relevant public is likely to perceive the element 'NEXT' within the applicant's mark as signifying 'NEXT' the retailer of toys, and the application as a whole as a promotional slogan containing a reference to 'NEXT' offering its own range of toys, games and plaything and an invitation to consumers to play with 'NEXT' toys.

64. There is a likelihood of indirect confusion.

Section 5(3)

65. Section 5(3) states:

> "(3) A trade mark which-
>
> is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark".

66. I can deal with this ground very briefly. I have already commented on the evidence filed by the opponent and I found that it establish enhanced distinctiveness, which refers to an increased recognition and capacity of a trade mark to identify the goods or services for which it is registered as coming from a particular undertaking as a result of extensive use. Whilst reputation and enhanced distinctiveness are different concepts, they are closely related and their assessment is based on the same factors.[8] For the same reasons as those I have outlined above, I find that the opponent's evidence establishes that the earlier mark benefits from reputation in relation to, inter alia, retail services connected with the sale of toys, games and playthings. I have found that under Section 5(2) there is a likelihood of confusion with these services which are relied upon under Section 5(3). The opponent's case under Section 5(3) is that there would be a likelihood of confusion, not simply a link, a bringing to mind. As I find that there would be a likelihood of confusion with the services for which the opponent has a reputation, it is inevitable that there will also be a link, and damage by unfair advantage.

67. The opposition under Section 5(3) is also successful.

OUTCOME

68. The opposition succeeds under both grounds, and the application will be refused registration.

COSTS

69. The opponent has been successful and is, therefore, entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 1/2023. In the circumstances, I award the sum of £1,600, calculated as follows:

Preparing opposition and considering the counterstatement:	£350
Filing evidence:	£700
Submissions in lieu of an oral hearing:	£350

[8] *General Motors*, Case C-375/97

Official fees:	£200
Total:	£1,600

70. I therefore order SWOOSHTRANSFER LTD to pay Next Retail Limited the sum of £1,600. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 16th day of October 2026

TERESA PINTO
For the Registrar