O/0330/23

THE MATTER OF THE TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NUMBER 3,589,109 IN THE NAME OF PERSONAL TRAINER LTD

AND IN THE MATTER OF THE OPPOSITION UNDER NO 426,921 IN THE NAME OF CROSSFIT LLC

AND IN THE MATTER OF AN APPEAL FROM THE DECISION OF GEORGE SALTHOUSE (O/853/22) DATED 3 OCTOBER 2022

DECISION

Introduction

1. This is an appeal from the decision of Mr George Salthouse, for the Registrar, dated 3 October 2022 (O/853/22). Crossfit LLC opposed the application of Personal Trainer Ltd to register BOSSFIT as a trade mark (No 3,589,109) under sections 5(2)(b), 5(3) and 5(4) of the Trade Marks Act 1994. Crossfit appeals the decision in relation to section 5(3) only.

2. Personal Trainer Ltd applied to register the mark BOSSFIT in Class 41 for the following services:

   > Health club services; provision of gym facilities; training services relating to health and fitness.

3. Crossfit opposed this application based on two earlier marks both of which were for the word CROSSFIT in Class 41. As this appeal is confined to section 5(3), the services in respect of which the Hearing Officer found there to be reputation (see [49]) are the only ones which are relevant:

   > Providing of training; fitness training in gyms; Fitness training in gyms; providing information in the field of fitness and bodybuilding; consultation services with fitness trainers

4. This reputation, the Hearing Officer concluded, was established despite the evidence supporting it being "far from overwhelming". This finding means that the Appellant overcame the first hurdle for making out a section 5(3) objection. Nevertheless, the Hearing Officer then concluded that the objection fell at the second hurdle, namely that the average consumer would not make a link between the two marks.

Standard of appeal

5. The standard of appeal is by way of review. Neither surprise at a Hearing Officer's conclusion nor a belief that he or she has reached the wrong decision will suffice to justify interference in this sort of appeal. Before that is warranted, it is necessary for

me to be satisfied that there was a distinct and material error of principle in the decision in question or that the Hearing Officer was wrong. The principles to be applied were summarised by Joanna Smith J in *Axogen Corporation v Aviv Scientific Ltd* [2022] EWHC 95 (Ch) at [24]. When considering this appeal, and applying these principles, it is important to remember the high bar set.

Ground of appeal

6. The Appellant challenged the decision below on the grounds that when the Hearing Officer concluded that the average consumer would not make a link between the two marks he had not applied the factors from C-252/07 *Intel* [2008] ECR I-8823, [42].

Failure to apply the Intel factors

7. In *Intel* the Court of Justice set out five inclusive factors which a court should use to determine whether or not the average consumer would make a link between the two marks: the degree of similarity between the conflicting marks; the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public; the strength of the earlier mark's reputation; the degree of the earlier mark's distinctive character, whether inherent or acquired through use; and, the existence of the likelihood of confusion on the part of the public.

8. The Hearing Officer set out the standard summary of the case law on section 5(3), which included a paragraph detailing these *Intel* factors (see Decision, [48(d)]). His factual finding on whether there was a link was in Decision, [52]:

> Under this ground of opposition it is not necessary that the reputation of the opponent is in goods or services which are similar to those sought to be registered by the applicant. However, in the instant case the services opposed were found earlier in this decision to be identical to the services for which the opponent has a reputation. This identicality is merely one of the factors to be taken into account. Earlier in this decision I determined that the marks of the two parties are visually and aurally similar to a low degree, but they are significantly different conceptually. To my mind the mark in suit will not form a link even when used on services which are identical to those for which the opponent has reputation. This provides an outcome identical to that under section 5(2)(b). The ground under section 5(3) therefore fails.

9. The Appellant suggests that the Hearing Officer did not consider the *Intel* factors properly or at all in this paragraph. I will therefore consider each factor in turn.

Degree of similarity of the marks

10. In his assessment of the similarity of the marks for section 5(3), the Hearing Officer adopted his findings in relation to section 5(2) (see Decision, [33] to [39]), namely that "the marks of the two parties are visually and aurally similar to a low degree, but they are significantly different conceptually."

11. In *Mastercard International v Hitachi Credit (UK) plc* [2004] EWHC 1623 (Ch), Peter Smith J rejected the submission that the test for similarity under section 5(3) was different from that applied under section 5(2) (at [62]). This is supported by C-115/19 *China Construction Bank v EUIPO*, EU:C:2020:469, [58] where the Court of Justice held that an earlier mark's reputation and enhanced distinctiveness are not relevant to

the assessment of the similarity between two marks. The Hearing Officer was therefore required to adopt his earlier finding in relation to the similarity of the marks.

12. The Appellant cites T-480/12 *Coca-Cola v OHIM*, EU:T:2014:1062, [73] to [74] to suggest that the Hearing Officer was in error. I am not sure this decision takes the matter much further. Here the General Court reminded itself that there needs to be some similarity between the marks for the equivalent of section 5(3) to be engaged, and that the similarity of the marks is a factor to consider when determining whether there is a link or not ([73]). The Hearing Officer's decision was entirely consistent with this approach. The General Court then went on to hold that in the case before it, and despite the low level of similarity between the marks, the average consumer would still make a link. This is a finding of fact and has no wider application.

Nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services

13. The Hearing Officer found the services covered by both marks to be identical. Accordingly, this factor was expressly considered.

The strength of the earlier mark's reputation

14. Before turning to whether the Hearing Officer considered the strength of the earlier mark's reputation when assessing whether there was a link between the two marks, I will address an additional complaint from the Appellant. Mr Bartlett, for the Appellant, submits that the Hearing Officer did not properly consider the evidence when he determined the earlier mark's reputation.

15. Mr Bartlett makes three points. First, the Hearing Officer misconstrued his client's revenue figures. Secondly, he failed to take into consideration the large number of gyms operating in the UK by reference to the mark CROSSFIT. Thirdly, he failed to take into account the national publicity given to CROSSFIT. Finally, he did not consider the fact that the Respondent was clearly aware of the CROSSFIT mark.

16. In relation to the first point, in his summary of the Appellant's Evidence (Decision, [16]), the Hearing Officer states:

> Income from the licensed gyms in the UK has averaged approximately US$ 1.3million per annum in the period 2017-2021 inclusive. Revenue from individuals carrying out fitness courses in the UK in the same period has averaged approximately US$1million per annum

17. The evidence from the Appellant was that this revenue consisted of fees received by the Appellant from gyms using its CROSSFIT system. There was also a newspaper article (mentioned by the Hearing Officer: Decision, [16(b)]) which mentions annual fees of $3,000 per gym to use the CROSSFIT system and mark. The Hearing Officer mentions 642 gyms in his summary of the evidence, although there were fewer on the relevant date (but still over 500).

18. Mr Bartlett suggests the Hearing Officer considered the $1.3 million to be the annual income generated by all the gyms operating in the United Kingdom under the mark, rather than the income obtained by the Appellant from licence fees for using the CROSSFIT system.

19. While I accept the language of the Hearing Officer is not entirely clear in this respect, he cannot have believed that the total revenues from all the gyms was a mere $1.3million. If this income were shared among 500 gyms it would be only $2,600 per gym. No gym business could survive long if that were all that was taken from its customers. Accordingly, when the Hearing Officer was referring to the income generated, he must have known that the income represented licensing revenue received by the Appellant from adopters of its system. Indeed, I do not see how the Hearing Officer could have found CROSSFIT to have had a reputation if he made the error the Appellant suggests he made.

20. In relation to the second and third points made by Mr Bartlett, the Hearing Officer mentions both the number of gyms and he also mentions the national newspaper coverage (Decision, [16]). The weight he gave to this evidence is an assessment for him to make and, as a value judgment, it is not one to disturb on appeal.

21. In relation to the fourth point made by Mr Bartlett, I am not sure what this demonstrates in relation to the assessment of whether the average consumer would make a link. The Respondent is not the relevant public, but a competitor. Competitors are likely to be aware of each other long before there is a sufficient reputation for the purposes of section 5(3). Indeed, it would be an unusual case where an earlier mark has a reputation amongst the relevant public as a whole, but is totally unknown to a (competent) competitor.

22. Accordingly, I see no reason why the Hearing Officer's finding in relation to the extent of the reputation in the earlier mark should be disturbed.

23. I will now turn to whether the strength of the earlier mark's reputation was properly considered by the Hearing Officer. As mentioned above, the Hearing Officer concluded that the Appellant's mark had sufficient reputation to engage section 5(3): Decision, [49]. However, there was no explicit reference to the strength of the earlier mark's reputation in the Hearing Officer's assessment of whether the average consumer would make a link between the marks (that is in Decision, [52]).

24. It would have been better for the Hearing Officer to expressly mention the reputation of CROSSFIT when discussing the link, but in any event it appears to me he had it in mind. This is evident from the fact that he had only just referred to the *Intel* factors and furthermore the mark's reputation was mentioned in a different context in the opening words of the paragraph discussing the link.

25. Furthermore, the "reputation" factor in *Intel* only assists the determination of whether there is a link where the earlier mark had a reputation significantly in excess of that needed to engage section 5(3). This is because at the stage where a tribunal is considering whether there is a link it has already found that the mark has a reputation.

26. The Hearing Officer had taken the view that the evidence supported CROSSFIT having a reputation sufficient to cross the threshold needed to engage section 5(3), but it did

not support much more than that. Accordingly, even if the Hearing Officer had not considered CROSSFIT's reputation when assessing whether there was a link it would not have been a material error because adding it into the mix could not have affected his overall assessment.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

27. The Hearing Officer concluded that the mark CROSSFIT has a low degree of inherent distinctiveness, but due to its reputation it can benefit from enhanced distinctiveness through use: Decision, [41]. Indeed, this was inevitable as a mark which has a reputation will inevitably also benefit from enhanced distinctiveness (see *CXO2* (O/393/19), [39]).

28. For the same reasons that I have set out in relation to reputation, I cannot see how the level of enhanced distinctiveness of the mark CROSSFIT would have been sufficient to make a link more likely.

The existence of the likelihood of confusion

29. The Hearing Officer concluded there was no likelihood of confusion between the two marks: Decision, [46]. This point was not mentioned when he considered the link, but it is inconceivable this was not in his mind when he determined the issue.

Global consideration of factors

30. It is true that the Hearing Officer did not expressly mention all the *Intel* factors when assessing whether there was a link between the two marks. However, for the reasons outlined above, it was clear he had them in his mind and, even if he did not, his earlier factual findings make it clear that individual consideration of these factors would not have changed his overall assessment of the matter.

31. Accordingly, I reject the appeal and uphold the Hearing Officer's decision.

Costs

32. The Appellant also challenged the Hearing Officer's award of costs. The Respondent was (and is) a litigant in person. The registrar and the Appointed Person allow such litigants to recover costs for the time they spent preparing for a case. These are assessed at a fixed hourly rate of £19 per hour (this is the same rate as applied before the courts: CPR PD46, par 3.4).

33. The Respondent indicated to the Hearing Officer that there had been 59 hours of preparation for the case, and this was found by the Hearing Officer to be reasonable: Decision, [59]. The Respondent was therefore awarded £1,121 in costs.

34. The Appellant suggests that 59 hours was an unreasonable amount of time to spend preparing for this case. I disagree. A litigant in person's costs are not restricted to reading the papers and drafting documents, but also extends to the necessary research to understand the relevant law and procedure. It appears to me that 59 hours is not an unreasonable time to learn the necessary law. I therefore reject the costs appeal as well.

35. The Respondent indicated that a further 8 hours were spent preparing for this hearing. I consider this to be entirely reasonable and I award a further £152 in costs to reflect this time spent.

36. The Appellant must therefore pay the Respondent a total of £1,273 in costs, which should be paid within 21 days of the date of this decision.

PHILLIP JOHNSON
THE APPOINTED PERSON
2 April 2023

For the Appellant, Mr Ian Bartlett of Beck Greener LLP

For the Respondent, Miss Kashif Syed who appeared in person.