

IN THE MATTER OF TRADE MARK APPLICATION NO 3268877 BY HILARY- ANNE CHRISTIE TO REGISTER “ZOHARA” AS A TRADE MARK IN CLASSES 14 & 18 AND OPPOSITION THERETO (UNDER NO. 412308) BY INDUSTRIA DE DISENO TEXTIL, S.A. (INDITEX, S.A.)

DECISION

INTRODUCTION

1. By this appeal, Industria De Diseno Textil, S.S. (Identex S.A), (“the appellant”), the proprietor of a number of registered marks **ZARA** for a wide range of fashion articles, challenges the decision of the hearing officer whereby she rejected an opposition to registration by Hilary-Anne Christie (“the respondent”) of the mark **ZOHARA** in respect also of a range of largely fashion articles.
2. The goods in question include jewellery in class 14 and leather goods of various kinds in class 18. The precise specification of goods does not matter for the purpose of this appeal because there is no dispute that the goods are either identical or similar. The central question is whether the marks are sufficiently similar to be likely to cause confusion. The hearing officer held that they were not. The appellant disputes that conclusion and contends that the hearing officer approached her decision on that issue in the wrong way. That has given rise to extended written and oral argument as to the right approach to evaluation of confusion in a case of this kind.

THE OPPOSITION

3. The opposition was brought under ss. 5(2), 5(3) and 5(4) of the Trade Marks Act 1994 (“the Act”) and, under ss. 5(2) and 5(3), the earlier marks relied upon were the following registrations: “ZARA”, UK 1574846; “ZARA”, EU 112755; “ZARA”, EU 2051225. The hearing officer limited the issues, holding at para. [31] of the decision that: “Given

the breadth of goods covered by TM No. UK00001574846 (in classes 14, 18 and 25), it is this registration which offers the opponent the best prospect of success.” She therefore confined her assessment to that earlier mark on the basis that, if the opponent failed on that basis, it would be in no better position in relation to the other marks relied upon. This approach was accepted to be appropriate on this appeal.

Use and registration of the ZARA marks

4. There was additionally a challenge to the earlier ZARA marks on the basis that they had not been used for all of the goods. The hearing officer found that a fair specification in the light of the proven use was “Class 14: Jewellery; keyrings; watches. Class 18: Handbags; shoulder bags; purses; clutch bags; umbrellas. Class 25: Articles of clothing for men and women.” (see para. [36]). She relied on this specification under ss. 5(2) and 5(3) of the Act and that too is accepted to have been appropriate.

The s. 5(4)(a) challenge and the findings of distinctiveness of the ZARA mark

5. As to s.5(4)(a) of the Act, the respondent relied on the very significant use of the mark ZARA in relation to a wide range of fashion items. The hearing officer found, on the basis of extensive evidence from the respondent that, while the mark ZARA had a “normal degree of inherent distinctive character” this had been “enhanced to a high degree in relation to articles of clothing for men and women, jewellery and handbags, purses, shoulder bags and clutch bags”. She referred to the substantial sales of those goods in the UK every year since 2007 together with frequent press exposure in widely circulated UK newspapers and fashion magazines and the recognition of ZARA as a leading brand by a number of market research companies in relation to those goods. As to the opponent’s other goods for which use had been shown, namely keyrings, watches and umbrellas, she said that whilst the evidence was sufficient to show genuine use in relation to those goods, she was not persuaded that the earlier mark had enhanced distinctiveness in relation to them. Again, there is no challenge to this finding.

THE DECISION UNDER APPEAL

6. The key aspects of the hearing officer’s decision for the purpose of this appeal are as follows.

(i) Similarity of marks

7. First, the hearing officer found that the marks ZARA and ZOHARA had a low degree of visual similarity, a medium degree of aural similarity and no conceptual similarity. More specifically, as to the two key dimensions of similarity most relevant to the appeal on visual similarity, she said at para. [66]:

“The opponent contends that the respective marks are visually similar to a high degree. I disagree. Whilst it is true, as the opponent submits, that both marks begin with the letter ‘Z’ and end with the letters ‘ARA’, the presence of the letters ‘OH’ in the applicant’s mark creates a striking point of visual difference. The difference is particularly pronounced given the position of those letters towards the beginning of the mark, since it is the beginnings of words which tend to have the greater impact on the consumer’s perception. Overall, there is a low degree of visual similarity.”

8. As to aural similarity she said at para. [67]:

“Turning to the aural aspect, again the opponent argues the marks are highly similar. The applicant’s mark will be pronounced entirely predictably as ZAR-AH (two syllables). The applicant’s mark is likely to be pronounced as ZOH-HAR-AH. I find there to be a medium degree of aural similarity.”

Similarity of goods

9. Second, the hearing officer held that the goods applied for varied in their similarity to the earlier registration, but ranged from being identical to having a low degree of similarity (see paras. [46]-[61]).

Characteristics of average consumer and the importance of visual perception

10. Third, the hearing officer considered that an average degree of attention would be paid during the purchase by the average consumer (see para. [64]) and the purchasing act will be “primarily visual on account of the goods being commonly purchased based on their aesthetic appeal”, that they were likely to be selected after perusal of racks/shelves in retail establishments, or from photographs on Internet websites or in catalogues. However, she went on to say that the aural aspect should not be ignored “since the goods may sometimes be the subject of discussions with retail staff, for example”. She held that the cost of the goods was likely to vary but that factors such as size, material, aesthetic appeal or suitability for purpose are likely to be taken account of by the consumer in relation to all the goods, even those at the more inexpensive end of the

spectrum. She concluded that “an average degree of attention is likely to be paid during the purchase”.

Distinctiveness and goodwill

11. Fourth, she found that the mark ZARA had a normal degree of inherent distinctive character, and additionally benefited from a high degree of enhanced distinctive character in relation to “clothing for men and women, jewellery and handbags, purses, shoulder bags and clutch bags” (see para. [71]). She held that the mark ZARA had a strong reputation for “clothing for men and women, jewellery and handbags, shoulder bags, purses, and clutch bags” but a genuine but far less substantial reputation in relation to umbrellas, watches and keyrings (see para. [78]). As noted above, she held that respondent had substantial goodwill in the mark ZARA in the UK for “clothing and footwear for men and women, handbags, shoulder bags, purses, clutch bags and jewellery” (para. [88]).

Likelihood of confusion

12. As to s.5(2), having set out the law, the hearing officer said at para. [73]:

“I have found some of the respective goods to be identical. I will first consider the likelihood of confusion in respect of those goods. The fact that there is identity between the goods is a strong factor weighing in the opponent’s favour and so too is the high degree of distinctiveness of the earlier mark consequent upon the use made of it. However, I have also found that the marks are visually similar only to a low degree. This is a particularly important factor (more so than the medium degree of aural similarity) given that the purchase is likely to be mainly visual. Furthermore, there is no conceptual similarity between the marks. Taking all these factors together, I find that an average consumer paying an average degree of attention, is unlikely to mistake one mark for the other, notwithstanding the potential for imperfect recollection; there is no likelihood of direct confusion. This is also not a case where I can see any reason why the average consumer would be likely to believe that the applicant’s mark is another brand or sub brand of the opponent or some linked undertaking. There is no likelihood of indirect confusion.”

Section 5(3) and 5(4)(a)

13. As to s. 5(3), again having set out the law, she said at para. [82]:

“I find that, despite the strong reputation and high degree of enhanced distinctiveness of the earlier mark, the similarities between the respective marks

are simply not strong enough to result in the relevant public bringing the opponent's mark to mind when encountering the applicant's goods bearing the contested mark. I find this to be the case in relation to all the contested goods, even those which are identical. No link will be made. If I am wrong about that, I find that any bringing to mind would be so fleeting as to be incapable of giving rise to any of the possible heads of damage."

14. On s. 5(4), she held at para. [91] that despite the shared fields of activity and the substantial goodwill vested in the opponent's business, the marks were "simply not similar enough to cause a substantial number of the opponent's customers or potential customers to believe that the applicant's goods are, in any way, connected with the opponent." There was accordingly no misrepresentation and no passing off.
15. Although it was somewhat faintly argued that a s.5(3) case would arise in any event, it is largely accepted by the appellant on this appeal that the case based on s.5(2) is the strongest one and that the other grounds will not assist if that ground is not made out.

THE APPEAL

16. The appellant contends, in summary, that the hearing officer evaluated the question of likelihood of confusion incorrectly in a number of ways, which led to her wrongly discounting realistic ways in which confusion could arise. The respondent contends, in summary, that there is no basis for interfering with the hearing officer's decision, that she considered the right matters and came to a reasonable conclusion.

Approach to appeal

17. The principles applicable to appellate review of decisions of this kind have been repeatedly restated and need no repetition (see for example the summary approved by Arnold J as he then was in *Apple Inc v Arcadia Trading Limited* [2017] EWHC 440 (Ch) at [11]). Moreover, as the Supreme Court said in *Actavis Group PTC v. ICOS Corporation* [2019] UKSC 1671, in connection with evaluative processes, "an appellate court ought not to interfere unless it is satisfied that the judge's conclusion is outside the bounds within which reasonable disagreement is possible". For present purposes, it is appropriate to add that there are some cases where it is difficult to see how an appellate tribunal could be in a better position to make an evaluation as to the likelihood of confusion than the primary decision-maker. In such cases, the decision of the primary decision maker should be respected absent any error of principle or approach.

Arguments on appeal

18. The main error is said by the appellant to lie in a failure of the hearing officer to take sufficient account of the range of ways in which confusion may occur especially as a result of aural similarity, why such may be more (or less) likely and the diversity of perceptions of the mixed population of those likely to be interested in goods of the kind in question. That gives rise to some general points concerning the nature of the exercise that the tribunal had to perform.

The average consumer and the test of confusion

19. The Act requires a tribunal to apply a test based on the response of the “average consumer” in the context of markets which, in general, comprise a range of consumers and contexts in which a mark may be used who may have different responses. Authoritative guidance as to how to approach the evaluation and the nature of the average consumer was given by Kitchin LJ as he then was in *Comic Enterprises Ltd v Twentieth Century Fox Film Corp* [2016] EWCA Civ 41 as follows with particular reference to the earlier decisions in *Specsavers* and *Maier v. ASOS*:

“[34] All of this guidance makes clear that the matter must be assessed from the perspective of the average consumer. This court considered the characteristics of the average consumer at some length in [*Interflora v Marks & Spencer*]. The following general points emerge further to those set out above:

(i) the average consumer is a hypothetical person or, as he has been called, a legal construct; he is a person who has been created to strike the right balance between the various competing interests including, on the one hand, the need to protect consumers and, on the other hand, the promotion of free trade in an openly competitive market, and also to provide a standard, defined in EU law, which national courts may then apply;

(ii) the average consumer is not a statistical test; the national court must exercise its own judgment in accordance with the principle of proportionality and the principles explained by the Court of Justice to determine the perceptions of the average consumer in any given case in the light of all the circumstances; the test provides the court with a perspective from which to assess the particular question it has to decide;

(iii) in a case involving ordinary goods and services, the court may be able to put itself in the position of the average consumer without requiring evidence from consumers, still less expert evidence or a consumer survey. In such a case, the judge can make up his or her own mind about the particular issue he or she has to decide in the absence of evidence and using his or her own common sense and experience of the world. A judge may nevertheless decide that it is necessary to have recourse to an expert's opinion or a survey for the purpose of

assisting the court to come to a conclusion as to whether there is a likelihood of deception;

(iv) the issue of a trade mark's distinctiveness is intimately tied to the scope of the protection to which it is entitled. So, in assessing an allegation of infringement under Article 5(1)(b) of the Directive arising from the use of a similar sign, the court must take into account the distinctiveness of the trade mark, and there will be a greater likelihood of confusion where the trade mark has a highly distinctive character either per se or as a result of the use which has been made of it. It follows that the court must necessarily have regard to the impact of the accused sign on the proportion of consumers to whom the trade mark is particularly distinctive;

(v) if, having regard to the perceptions and expectations of the average consumer, the court concludes that a significant proportion of the relevant public is likely to be confused such as to warrant the intervention of the court, then it may properly find infringement."

20. Although this was said in the context of infringement it is equally applicable to the substantially similar test in s.5(2). A few observations are merited on this approach, in the light of the arguments advanced on this appeal since taking account of the diversity of real populations in applying an average consumer test can sometimes appear problematic.
21. First, it is clear from the summary in *Comic Enterprises* and other cases that the average consumer provides a normative benchmark (to use the language of Arnold J in *Jack Wills v. House of Fraser* [2014] EWHC 110 (Ch) at [63]). Like a standard of negligence, it relies on an evaluation of what can reasonably be expected of a consumer, which may be informed by but is not determined by the responses of any given actual consumer.
22. Second, it is equally clear that the test of likelihood of confusion does not require evaluation of whether a statistical majority of actual consumers would in fact be confused. Equally, it does not require a quantitative assessment of particular proportions of a notional or real population which would in fact be confused.
23. Third, it is implicit in the test that, given the diversity of consumers, in appropriate cases, a tribunal should take account of classes of consumer where they form substantial subgroups of consumers as a whole. There are numerous illustrations of this in the case law (see for example *Alcon v. OHIM* C-41/05 – where patients using the products as well as medical professionals ordering or supplying them were taken into account;

Schütz v. Delta [2011] EWHC 1712 – where end users as well as tank fillers were considered). That is appropriate where it is possible to identify particular kinds of consumers with readily identifiable common characteristics which make confusion more (or sometimes less) likely for that group. In cases of that kind, the law is really saying that because a significant class of consumers of a particular kind to which the mark is specifically directed and whose interests are therefore particularly relevant are likely to be confused, taken as a whole there is a likelihood of confusion on the part of the notional average consumer even if consumers in other classes may not be. This issue is helpfully discussed, with reference to some of the difficulties in doing so practice in as a result of inhomogenous populations and diverse responses, in: Fhima and Gangee *The Confusion Test in European Trade Mark Law*, Oxford, 2019, Chapter 6, referred to in argument at the hearing.

24. Fourth, in order to evaluate whether confusion is likely, a tribunal may properly (and in many cases must) consider a range of situations in which the mark is likely to be encountered in use. Equally, a tribunal must consider the different ways in which the respective marks (and particularly the mark under challenge) may be perceived by consumers. In such case, that is often in part an exercise of imagination as much as anything else, since in proceedings before the Registrar evidence of actual consumer responses is often unavailable.
25. However that cannot be taken too far: consideration of the range of responses does not require a microscopic analysis of the assumed characteristics of large numbers of possible individual consumers or possible kinds of situation in which the marks might be used. Moreover, it does it follow from the fact that it is possible to envisage situations in which confusion might arise in such imagined scenarios, that this suffices for a conclusion that confusion on the part of the average consumer is likely. Consideration must be given also to how realistic or likely such situations are as well as how typical of the normal manner in which the marks in question would be encountered. The more remote such scenarios are from a situation in which a mark would normally be perceived or presented, having regard to the nature of the goods and the nature of the trade in them, the greater the caution that must be exercised before taking such into account and concluding that the statutory test is satisfied.

26. A tribunal is also entitled to be alert to the fact that it may be possible to provide evidence to show that notwithstanding that a particular manner in which confusion is said to arise appears prima facie unlikely, in fact, it takes place to a significant extent. In the absence of evidence where such could be obtained in principle a tribunal is entitled to proceed on the basis that such is not realistically likely: a tribunal cannot be criticised for not assuming the worst if the worst remains a speculative rather than proven possibility.
27. Fifth, those considerations affects the extent to which, for example, scenarios involving the use of the mark outside the normal context of purchase or advertisement should be given significant weight in determining whether, taken as a whole, confusion is likely. More generally, in evaluating the likelihood of confusion, a tribunal is entitled to focus more on the typical part of the “spectrum of consumers” (in the words of Birss J in *Thomas Pink v. Victoria’s Secret* [2014] EWHC 2631) and typical purchasing or advertising situations among the range of all situations in which the marks in question might be presented. If confusion is not likely in that part of the spectrum, the fact that it is possible to imagine not wholly fanciful scenarios in which it may happen elsewhere, does mean that confusion is likely.
28. Sixth, a tribunal must carry out a global assessment and evaluate whether even if one kind of confusion (which in this case has particularly focussed on aural) is possible, that is really likely in the light of the fact that goods of the kind in question are predominantly selected by reference to visual or other criteria. This is well established and summarised by the General Court in *New Look v. OHIM* In Joined Cases T-117/03 to T-119/03 and T-171/03) at [49]-[50] as follow to which the hearing officer referred:

“49 However, it should be noted that in the global assessment of the likelihood of confusion, the visual, aural or conceptual aspects of the opposing signs do not always have the same weight. It is appropriate to examine the objective conditions under which the marks may be present on the market (*BUDMEN*, paragraph 57). The extent of the similarity or difference between the signs may depend, in particular, on the inherent qualities of the signs or the conditions under which the goods or services covered by the opposing signs are marketed. If the goods covered by the mark in question are usually sold in self-service stores where consumer choose the product themselves and must therefore rely primarily on the image of the trade mark applied to the product, the visual similarity between the signs will as a general rule be more important.

If on the other hand the product covered is primarily sold orally, greater weight will usually be attributed to any aural similarity between the signs.

50 The applicant has not mentioned any particular conditions under which the goods are marketed. Generally in clothes shops customers can themselves either choose the clothes they wish to buy or be assisted by the sales staff. Whilst oral communication in respect of the product and the trade mark is not excluded, the choice of the item of clothing is generally made visually. Therefore, the visual perception of the marks in question will generally take place prior to purchase. Accordingly the visual aspect plays a greater role in the global assessment of the likelihood of confusion.”

29. Finally, the required approach has an impact on how these matters are considered on appeal. It is one thing for a tribunal to leave out of account in its consideration of likelihood of confusion a significant class of persons to which the mark is realistically directed. It is another where the tribunal does not focus on or gives only limited weight to possibilities of situations in which confusion might occur but which are either removed from a typical situation in which a mark would be encountered or involve presentation of the mark in a different form from that naturally intended, especially where there is no evidence that happens or is really likely to happen with any degree of regularity. In such a latter situation, the tribunal is entitled to proceed on the basis that the mere possibility of confusion in that kind of scenario does not translate into a likelihood of confusion and an appellate tribunal should, in my view, respect that unless it is convincingly shown to be wrong.

Grounds of appeal and criticisms of the hearing officer’s analysis of similarity

30. It is against that background that I come to the specific criticisms of the hearing officer’s analysis of similarity.

31. The appellant contends that the hearing officer’s analysis was defective in that it did not take enough account of particular aspects of similarity and situations in which confusion might arise. The appellant’s argument focused on the hearing officer’s analysis of aural similarity which was, among other things, criticised by the appellant as being too brief.

a. Aural similarity of ZARA and ZOHARA

(i) The impact of pronunciation

32. The appellant argues that the hearing officer's analysis set out above failed to take adequate account of the greater aural similarity which in particular certain regional accents may produce because, for example, the "OH" in ZOHARA syllable would effectively be dropped as a result of dropping the "H" or pronounced with a short "O" as in "not" (which was suggested to be the most likely pronunciation). In those circumstances, it is said that the respective marks would have a more similar rhythm and intonation leading to a greater risk that the ZOHARA would be misheard.
33. As to this point, it can be important for a tribunal to take account of variations in pronunciation regional and otherwise, especially for consumer goods which are likely to be sold nationwide and where the class of likely customers includes people around the country. However, it is also important to bear in mind the nature of these variations. In some cases, this is as a result of terms being correctly pronounced in a range of ways in that all parts of the mark in question are articulated but with phonetic difference. In other cases, the reason for difference in pronunciation is because (for example) an "H" is dropped or there is elision of syllables – and therefore the whole of the mark is not reproduced. While it would be wrong to approach a case on the basis of hierarchy of accents, or to assume that the average consumer must be a user of received pronunciation, it is appropriate to address a question of similarity of marks on the basis that the average consumer would be expected to pronounce the whole of the mark in aural use and to do so in the most natural way, even if in some real cases, that might not happen. It would unbalance the legal test of similarity if it were approached on the footing that the typical consumer was not expected to use the mark as a whole or was expected to use it in a manner contrary to its normal use.
34. Moreover, it would lead to a situation in which the real source of any likelihood of confusion was not similarity of the marks but failure on the part of some consumers to use the mark fully or properly. There are questions of degree in different cases but just as the tribunal must compare marks as a whole, from the perspective of the average consumer, so should it expect marks to be expressed and heard as a whole in the typical case.

35. The hearing officer came to a view as to how the mark ZOHARA would be pronounced. It seems a reasonable view and there was no evidence to contradict it. It finds some support from the decision of the EUIPO in Opposition No. B 2 835 067 where the Opposition Division held that the relevant differences between marks ZARA and a mark which was substantially ZOHARA enabled the consumer “safely to distinguish the signs” (see p10 of the Decision of 2 May 2018). It is true that the hearing officer did not consider the possibility of other pronunciations and was clear as to her view as to how the mark ZOHARA would sound but I am not in this case persuaded that she was wrong to do so. The alternative pronunciations suggested are not established to be particularly likely and if the ZOHARA mark is correctly used, the hearing officer was right to conclude that the aural similarity was only medium.

(ii) *The impact of the reputation of ZARA*

36. The appellant contends that all types of aural confusion are made more likely because of the reputation of the ZARA mark and its resulting enhanced distinctiveness. It is said that the hearing officer left this out of account in her analysis and was wrong to do so.

37. The appellant refers in particular to the passage in *Aveda Corporation v. Dabur India Ltd* [2013] EMTR 33 at [48] where Arnold J as he then was said: “The human eye has a well-known tendency to see what it expects to see and the human ear to hear what it expects to hear. Thus it is likely that some consumers would misread or mishear UVEDA as AVEDA” (see also a similar point made in *Lewis v. Client Connection Ltd* [2011] EWHC 1627). This is an explanation for why the CJEU case law (such as *Canon*) may be correct to treat marks with a highly distinctive character on the grounds of their acquired reputation as enjoying more extensive protection than those with a lower level of distinctiveness – the public has been sensitized to expect them.

38. It is true that the hearing officer did not deal with this issue in her decision expressly but she had the significant reputation of the ZARA mark in mind. I am not satisfied that she erred by failing to address this separate point.

39. First, the approach in *Aveda* really only has application where there are greater similarities between the marks than here. It must be applied with sensitivity and cannot be taken so far that marks which are (and which have been held to be) more different

are nonetheless to be taken to be confusingly similar on the basis of a possibility, not supported by actual evidence, that some consumers might have become so suffused with the reputation of the earlier mark that they would hear other marks as that mark despite the differences.

40. Second, as to the present case, the marks ZARA and ZOHARA, if pronounced in a normal way, have some similarities but are also significantly different – if nothing else in the number of syllables. ZARA is clearly pronounced as two syllables and it is as likely that those familiar with the ZARA mark would regard any other word with three syllables as clearly different, because they were so familiar with the ZARA mark. In consequence, notwithstanding the tendency of hearing the familiar, it is not possible reliably to conclude that the enhanced reputation of ZARA in this case has increased the likelihood of confusion with ZOHARA in the manner suggested.

41. Third, there are some ways in which (or reasons why) confusion may occur which are not sufficiently probable that if a tribunal is to be persuaded that they are nonetheless likely, they must be established with evidence. This is one area where I think the hearing officer was entitled, in the absence of evidence, not to give that point significant weight.

(iii) *The aural similarities in the context of the other similarities and differences*

42. The hearing officer considered that the main way in which the marks would be appreciated in use was visual but it is said that the hearing officer gave aural considerations too little weight in her evaluation. Although it is possible to imagine scenarios of purely aural use which are not wholly fanciful, in which the mark ZOHARA would be misheard, I do not think those can fairly be said to be characteristic of the manner in which the notional average consumer would encounter or appreciate the mark.

43. The appellant gave examples of potential personal recommendations of the goods using the mark ZOHARA aurally (outside of a retail context) and misheard, or spoken in various media in such a way that, if misheard, the misperception was unlikely to be corrected (such as a vlog or aural promotion, for example, by radio). While those scenarios are possible, I am not persuaded that they are likely. There was some discussion at the hearing as to how likely such a scenario had to be shown to be before

it could be said that there was a likelihood of confusion on the part of the average consumer. In my view there is no fixed approach to this issue. While the exercise of evaluation in proceedings before the Registrar frequently involves determining matters without a complete evidential basis, a tribunal is justified in avoiding excessive speculation as to possible sources of confusion. The hearing officer cannot be criticised under this head.

44. It is also important to bear in mind that many situations in which there is some aural use are likely to be ones in which perception of the mark will not be exclusively aural and that there will also be visual appreciation of the marks from which the differences would be clearly apparent. That point too was touched upon by the EUIPO in the decision referred to above, saying “the choice of the item of clothing is generally made visually” and that the “visual aspect plays a greater role in the global assessment of the likelihood of confusion”. The hearing officer’s global evaluation takes this into account and I do not consider that the manner in which she addressed the significance of aural use in this case is open to challenge on this appeal.

b. Other points

(i) Location and appearance of the marks on goods

45. The next issue relates to how the marks would be seen. It is said that the hearing officer failed to take adequate account of the discreet and small way (such as embossed or on zips) in which the marks may appear which could prevent the average consumer from seeing the whole of the mark, increasing the likelihood of confusion. The appellant refers to the manner in which the marks appear on actual goods as sold as appear from the exhibits and points out that the hearing officer did not expressly address this point.

46. I am unpersuaded by this criticism. Although it is true that the marks in question are likely to appear in a discreet way in some contexts, the differences in appearance between the marks is readily visible and it would appear that consumers are well attuned to and being able to read marks appearing on or in relation to goods of this kind in a manner that is not prominent. I do not think that the hearing officer’s decision is open to challenge on the basis that she did not expressly deal with this issue.

(ii) *Conceptual and visual similarity*

47. Finally, the appellant also contends that the hearing officer underestimated the extent of conceptual similarity between the respective marks. This point is of a somewhat different kind, going to the similarity of the marks rather than the circumstances which are likely to make them more likely to be confused and was not heavily pressed.
48. As to this, both ZARA and ZOHARA are female names with a slightly unusual or exotic flavor (in that only a limited number of such names start with a “Z”) albeit that Zara is more common in the United Kingdom.
49. It was agreed before the hearing officer that the marks would each be perceived as female names, a concession in the appellant’s favour - although I am not convinced that ZOHARA would be immediately recognized as such by all likely consumers. It is therefore said that the hearing officer should have attributed greater conceptual similarity to the marks than she did. She held, in essence, that they would be recognized as being different names and were therefore conceptually different. I agree. If the names are recognized as female first names, I think the average consumer would recognize that they were different names. If they were not both recognised to be female first names, their conceptual difference would be greater. So on either basis, although there were similarities, this is a case in which the differences as to concept dominate such similarity as there is.
50. It was also, albeit less strongly, contended that the hearing officer had underrated the visual similarity essentially on the same basis (both relatively exotic female names where the middle syllable would be given less importance). I consider that this argument stands or falls with the conceptual similarity point considered above.
51. Overall, I am not persuaded that the hearing officer’s analysis of this aspect can be criticised.

c. General points

52. Finally, there are two general points.

53. First, a tribunal evaluating the likelihood of confusion must consider whether such is likely having regard to the similarities of marks among other factors. That test is not satisfied simply because the possibility of confusion arising in one or more ways cannot be ruled out (see *Marca Mode C-425/98*). In my judgment, the criticisms levelled at the hearing officer's decision in substance amount to saying that her approach was insufficiently risk averse and that she should have given more weight to the risk of possible confusion by a manner of perception (aural use) that was not particularly important in the selection of goods of the kind in question. In my judgment, the points made do not show that the hearing officer was wrong to regard confusion as unlikely, even if it might justifiably be said that the possibility of some confusion in some circumstances could not be ruled out. The approach in *Comic Enterprises* which requires the tribunal to be satisfied that a significant proportion of the relevant public is likely to be confused "such as to warrant the intervention of the court" does not contemplate an evaluation which is so risk averse that the tribunal must treat the test as satisfied by speculative risks in the absence of solid evidence that they are likely.
54. Second, although the hearing officer's decision was in some respects brief and did not exhaustively address the various points on which there was more extended argument on this appeal in my view, in this case, that was not necessary. The hearing officer had reached a clear conclusion that the marks, compared directly in the way they would normally be perceived, were sufficiently dissimilar as not to lead to a likelihood of confusion if used in relation to the goods in question. Put in normative terms she thought that the average consumer ought not to be confused. The appellant rightly accepted that it was not invariably necessary to deal with the likelihood of confusion in exhaustive detail, although it was submitted that this decision fell the wrong side of the line dividing commendable from excessive brevity. While the hearing officer could have addressed more fully some of the points I have considered at greater length in her decision, I think that, taken as a whole, her approach was justified.
55. This was an evaluation squarely within the contemplation of *Actavis v. ICOS*, where, in my view, the hearing officer's decision should be respected.

Conclusion on section 5(2)

56. Despite the thoughtful and attractively presented arguments by counsel for the appellant, I am not persuaded that the hearing officer's decision on s. 5(2) fell into error in the manner alleged.

THE APPEAL RELATING TO SECTIONS 5(3) AND 5(4)

57. I have set out the substance of the decision on these further grounds above. The appellant accepted that subject to one point considered below, the points under section 5(3) and 5(4) did not add materially to the appeal and it was said that the decisions under those heads were vitiated by the same errors as affected the s.5(2) case which I have held not to have been made out.

58. It was further submitted by the appellant that the hurdle for showing that there was a "link" made was lower for the purpose of s.5(3) than for s.5(2) and that even if the case failed on s.5(2) it should nonetheless succeed under s.5(3). There are doubtless cases where that may be so although those will not be frequent.

59. However, in my view the hearing officer was justified in this case in holding that if there was no likelihood of confusion for the purpose of s. 5(2), there was equally no likelihood that a link would be made for the purpose s.5(3) for the reasons she gave. Accordingly, I do not think her approach can be faulted on s.5(3) either. The other points advanced do not in the circumstances arise.

OVERALL CONCLUSION

60. For the reasons given, the hearing officer's decision was not wrong in the sense required by the standard of appellate review of decisions of this kind and the grounds of appeal are not made out. The appeal must therefore be dismissed.

COSTS

61. Among the other costs, the hearing officer awarded £300 in respect of the written submissions of the respondent below. The written and oral submissions on appeal by the respondent were commendably crisp. In the circumstances, I award the sum of **£500** in respect of the respondent's costs of this appeal, to be added to the hearing officer's award of costs of £1400.

DANIEL ALEXANDER QC
APPOINTED PERSON

17 January 2020

Representation

MS. CHARLOTTE BLYTHE (instructed by Taylor Wessing) appeared for the Appellant.

MS. STEPHANIE WICKENDEN (instructed by Murgitroyd) appeared for the Respondent.