

O-1182-23

REMITTED FROM THE APPOINTED PERSON

TRADE MARKS ACT 1994

**IN THE MATTER OF TRADE MARK APPLICATION NO. 3602773
BY BUILDXACT SOFTWARE LIMITED IN RESPECT OF THE TRADE MARK**

BUILDXACT

IN CLASSES 9, 36, 37 AND 42

**AND IN THE MATTER OF OPPOSITION THERETO UNDER NO. 425937 BY
XACTWARE SOLUTIONS, INC.**

BACKGROUND AND PLEADINGS

1. My decision of 23 March 2023 (O/298/23) (“the original decision”) regarding this opposition was appealed to the Appointed Person who issued his decision on 1 October 2023. The Appointed Person upheld the decision in some respects but also identified an error, namely that I had failed to consider earlier mark 904801312 XACTIMATE during my considerations of the ground based upon section 5(2)(b). This has potential impact upon my considerations of the merits of the opponent’s claim to a family of marks.

2. In light of the above, the Appointed Person remitted the case back to the Registry to determine the following limited issues:

“(i) The merits of the opposition under section 5(2)(b) based on the mark XACTIMATE;

(ii) Whether the three marks XACTIMATE, XACTWARE and XACTANALYSIS are a family of marks. If so,

a. the merits of the opposition under section 5(2)(b) based on the shared characteristics of these marks.

b. Whether there is a link for the purposes of section 5(3) between XACTWARE and BUILDXACT taking into account the family of marks (and if a link is found, whether the injury required for section 5(3) is established).”¹

3. He also stated² that he saw “no reason why the case needs to be assigned to a new hearing officer, but I will leave it to the registrar to assign it as the registrar sees fit”. Therefore, the remitted case has returned to me to issue in accordance with the directions of the Appointed Person.

¹ See the Appointed Person’s conclusions at [50] of his decision

² At [51]

4. The opponent attempted to challenge the allocation of the remitted case to myself, however, in a letter from the Registry dated 3 December 2023, the appeal documents were not accepted. The full text of the letter is reproduced below:

“I write in relation to the Form TM55P ‘Notice of appeal to the Appointed Person’ received on 30 October 2023, and filed on behalf of Xactware Solutions, Inc. (‘the opponent’). The form has been filed in pursuance of an appeal against allocation of remitted opposition proceedings OP000425937 back to Mr Mark Bryant (‘the original hearing officer’) for further determination. Remittal of the case, and your request seeking further appeal, follow publication of the Appointed Person’s decision under reference number BL O 0934 23.

In his decision, the Appointed Person confirmed that the appeal be allowed in part and directed that the case be remitted back to the Registrar for determination of a specific issue, namely, the individual consideration of an earlier mark under section 5(2) grounds, and the resulting impact on further consideration of ‘family of marks’ arguments. The Appointed Person also very clearly stated at paragraph 51 that he could see no reason as to why the case need be assigned to a new (i.e. different) hearing officer, and added that the Registrar may assign the remitted case as he sees fit. In light of these comments, the act of allocating the case back to Mr Bryant is in full accordance with directions set by the Appointed Person in his decision.

Your appeal supposes that the Registrar’s allocation of the remitted case back to the original hearing officer, as communicated to the parties by Mr Bryant in his email of 10 October 2023, constitutes an appealable decision of the registrar pursuant to section 76(1) of The Trade Marks Act 1994. With respect, the Registrar rejects this position. The Appointed Person *decided* that (i) the appeal should be remitted back to the Registrar for further consideration, and (ii) the Registrar may allocate the decision as he sees fit. In that context, the Registrar’s allocation of the case back to Mr Bryant constitutes the implementation of directions set by a decision of the Appointed

Person and nothing more. Allocation to the original hearing officer is not an appealable decision in its own right.

In light of this, the Registrar considers that the Form TM55P is neither appropriate nor admissible. Consequently, I have made arrangements to refund the fee. The case will remain with Mr Bryant, and he will issue his remittal decision in due course.”

5. In light of this letter, it is not necessary for me to say any more on this issue.

DECISION

The merits of the opposition under section 5(2)(b) based on the mark

XACTIMATE

6. The XACTIMATE mark is subject to proof of use but I will proceed, as stated at [19] of my original decision, on the assumption that genuine use has been demonstrated in respect of all the goods listed.

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7. I remind myself of the case law set out in my original decision, but I do not reproduce it again here. I now turn to consider the relevant factors.

Comparison of goods and services

8. In my original decision I stated the following:

“22. The applicant concedes that some of the respective goods and services are identical. This is clearly the case as illustrated by the fact that the applicant’s *computer software for ... warranty management* includes goods in the field of construction and, therefore, overlaps with the opponent’s *computer software for use in the field of ... construction*. I will proceed on the basis that at least some of the respective goods are identical.”

9. The XACTIMATE earlier mark is registered in Class 9 and its specification consists of the term *computer programs for use in construction, remodel, replacement and insurance cost estimation, and instructional materials in electronic format, all distributed together as a unit*. It is clear that *computer programs for use in construction* in this case describes identical goods to *computer software for use in the field of ... construction* that I referred to in my original decision. Therefore, I will again proceed on the basis that at least some of the respective goods are identical.

Comparison of marks

10. The respective marks are:

Opponent's earlier mark	Applicant's mark
XACTIMATE	BUILDXACT

11. The earlier mark consists of the letters XACT followed by IMATE. I remind myself that at the hearing, Mr Tritton, whilst accepting that XACT is likely to be perceived as a reference to the word EXACT, submitted that the letters are dominant and distinctive. The IMATE part of the mark might, to some consumers, be perceived as an illusion to the word "estimate" and when viewing the mark as a whole, may perceive it as suggesting an "exact estimate". Nevertheless, I disagree with Mr Tritton because the mark presents as a single invented word where the distinctive character resides in the totality and not in any particular group of letters.

12. My findings regarding the dominant and distinctive parts of the applicant's mark were set out at [27] of my original decision:

"The applicant's mark consists of the word BUILD conjoined with XACT. These two parts are conjoined and form a unit to create the allusive message "to build in an exact or precise manner". The misspelling of the second part increases the distinctive character of the mark slightly but the distinctiveness resides in its totality."

13. Regarding visual similarity, I remind myself of the submissions of Mr Tritton and Mr Malynicz at the original hearing. Mr Tritton submitted that the XACT letters in both parties' marks are the dominant elements and result in visual similarity of a medium degree. Mr Malynicz submitted that because both the beginning and the end of the marks are different, they are not similar. My findings at [28] of the original decision apply equally to the XACTIMATE/BUILD XACT comparison:

"...The points made by both sides are relevant and I must balance the differences and similarities. In doing so, I am of the view that because the letters XACT appear at the beginning of the opponent's marks and at the end of the applicant's mark, this visually detracts from the identity of this common element. This, combined with the ends of the opponent's mark being totally different to the BUILD element of the applicant's mark leads me to conclude that the applicant's mark shares only a low level of visual similarity to both of the opponent's marks."

14. In my original decision, my comments regarding aural similarity of the applicant's mark to the opponent's XACTWARE/XACTANALYSIS marks were:

"29. Aurally, Mr Tritton submitted that in respect of the applicant's mark, the consumer will linger on the XACT part of the mark because it is two syllables compared to the single syllable that is BUILD. He submitted that, because of this, the respective marks share a medium degree of similarity. I do not agree. I see no reason why one part of the word will be lingered upon more than another.

30. Mr Malynicz submitted that as a rule of thumb, the beginning of words has prominence, with speakers having a tendency to slur or underplay the end of words and that both the ends and beginnings of the respective marks are different. I accept that the beginning of words may, in some circumstances, have prominence, but in the current case it is not clear to me that the end of the respective marks will be slurred or underplayed. Mr Malynicz also submitted that the word XACTWARE in the opponent's marks will be pronounced as

ZACT-WARE and the applicant's mark as BUILD-EX-ACT. I consider it very unlikely that XACT, at the start of the opponent's mark, will be pronounced as ZACT because it is most likely to be perceived as a misspelling of EXACT and this will lead the consumer to express the letter X in the same way as in EXACT.

31. The opponent's marks are likely to be expressed as the syllables EX-ACT followed by the syllables WARE or A-NAL-E-SIS. The applicant's mark is likely to be expressed as BUILD-EX-ACT. Therefore, the last two syllables of the applicant's mark will coincide with the first two syllables of the opponent's marks. The opponent's XACTWARE shares the same number of syllables and I consider that it shares a low to medium level of aural similarity. The opponent's XACTANALYSIS mark is aurally longer and has a lower level of similarity to the applicant's mark compared to its XACTWARE mark. I would characterise this aural similarity as being low."

15. Applying this approach to the current comparison, the opponent's mark is likely to be expressed as the four syllables EX-ACT-EE-MATE. Therefore, the first two syllables of the opponent's mark appear as the second and third syllables of the applicant's mark. In all other ways, there is no similarity. They are different in length, the last two syllables of the opponent's mark are absent in the applicant's mark and the first syllable of the applicant's mark is absent in the opponent's mark. Taking all of this into account, I conclude that the respective marks share a low level of similarity.

16. In the original decision, as part of the conceptual comparison, I stated the following:

"32. In respect of conceptual similarity, Mr Tritton submitted that BUILD is totally descriptive, and that XACT is the distinctive element of the applicant's mark that connotes "precision" and he concluded that, as a result, the respective marks share a high degree of similarity. I keep in mind that when considering likelihood of confusion, I must consider what weight to give to elements of low or no distinctive character, but in terms of conceptual similarity, BUILDXACT presents as a single word and the consumer is likely to understand it as being derived from the words BUILD and EXACT. Consequently, it is likely to suggest the concept of precision building."

17. As I noted earlier, the opponent's XACTIMATE mark also presents as a single, invented word that may be perceived as suggesting an "exact estimate".

18. Taking all of the above into account, there is some overlap of concept because of the common presence of XACT in both marks, but this element is combined with another element that shares no conceptual similarity to the other. Further, the conceptual message of the applicant's mark is akin to use of a verb i.e. to build (precisely) whereas the opponent's XACTIMATE mark presents in a way that is akin to a noun i.e. an estimate (that is exact). I conclude that the applicant's mark shares a low level of conceptual similarity to the opponent's mark.

Average consumer and the purchasing act

19. In the original decision I stated the following, and these comments apply equally here:

"38. The average consumer of the respective goods and services is likely to be a professional in the property/construction field. Mr Malynicz submitted that the consumer will pay a "higher than usual" level of care and attention". Mr Tritton claimed that care and attention is an "above average degree". Whilst not identical, both these categorisations are very similar and certainly any difference that may exist will not materially affect the outcome of these proceedings. Further, there appeared to be an understanding at the hearing that the parties agreed on the level of care and attention despite describing it in slightly different terms.

39. At the hearing, both Mr Tritton and Mr Malynicz agreed that the relevant consumer of the parties' goods and services are specialist business users. The purchasing process is likely to be visual in nature, but I keep in mind that aural considerations may play a part where one of the parties contacts the consumer by telephone, or where there has been word of mouth recommendations."

Distinctive character of the earlier trade mark

20. The opponent's marks consists of the single word XACTIMATE. This is an invented word that some consumers will see as being an allusive reference to "exact estimate". Such a loose allusive meaning reduces the inherent distinctive character slightly, but I conclude that it is still somewhere between medium and high.

21. In respect of enhanced distinctive character, I note the following evidence:

- The opponent was founded in 1986 with an estimating system, for contractors and insurance assessors, named XACTIMATE;³
- In 2007, the opponent launched its European operation with a physical presence in the UK (where its European headquarters was located) and the UK was the first European market where the opponent's products and services became available;⁴
- XACTIMATE is the industry's leading claims estimating solution;⁵
- Evidence from Mr Gelder illustrates that Gelder group, a customer of the opponent, has been using XACTIMATE claims estimating and claims management solution continuously since September 2011 and he explains that it chose the opponent's solution because it considered the opponent to be a market leader in the UK. He also states that the Gelder Group continues to have a strong relationship with the opponent;⁶
- The opponent's app has been available from the App Store since 2012 that works in conjunction with its XACTIMATE desktop estimating system;⁷
- The opponent's customers can access products and services by logging in to its website and this includes access to its XACTIMATE product;⁸

³ Mr Fulton's witness statement ("WS1") at [2].

⁴ WS1, [5] and Exhibit MF1 that includes historic extracts from the opponent's website www.xactware.co.uk from the years 2007 and 2009. Other extracts are from www.xactware.com/uk/ in various years from 2010 to 2020 showing use of XACTIMATE as a product it provides

⁵ WS1 [17]

⁶ Mr Gelder's witness statement at [3] to [5]

⁷ See press release entitled "Xactware Launches Mobile Estimating App for the UK" at Exhibit MF5

⁸ WS1 [12]

- A “Getting started in Xactimate desktop” manual has been available on the opponent’s “en-gb” (that I understand to be a reference to “English/Great Britain”) part of its website since May 2018;⁹
- Information about the XACTIMATE tool is provided on the opponent’s UK website and historic extracts from 2012, and 2020 are provided illustrating this;¹⁰
- The opponent develops “industry-leading” computer software solutions in property insurance, building and construction, remodelling and restoration fields and provides products for property insurance underwriting and claims;¹¹
- Customers include insurers, loss adjusters and all types of repair and restoration firms;¹²
- The opponent provides its products and services under a family of marks sharing the common first part “XACT” and the earlier marks relied upon are all used in the UK;¹³
- The opponent’s UK client base consists of nearly 200 customers and include leading UK insurance businesses such as LV= General Insurance, The Davies Group and AXA that all use XACTIMATE, as well as numerous contractors/builders.¹⁴ Reference to these customers is made in a variety of articles/promotional tools;¹⁵
- Rounded annual sales figures relating to the opponent’s XACT marks are provided for the UK,¹⁶ as shown below:

⁹ WS1 [13] and Exhibit MF6

¹⁰ WS1 [17] and Exhibit MF10

¹¹ WS1 [4]

¹² ditto

¹³ WS1 [9]

¹⁴ WS1 [19]

¹⁵ Exhibits MF12 – MF14

¹⁶ WS1 [24] and Exhibit MF16

Year	Annual revenue
2016	Over 1.2m GBP
2017	Over 1m GBP
2018	Over 1m GBP
2019	Over 1.3m GBP
2020	Over 1.5m GBP
2021	Over 1m GBP

- Mr Fulton states that as an international leader in software and technology solutions for the property insurance industry, the opponent compiles an annual Property Report for the UK, first produced in 2010. The content of these reports has been the subject of a number of press reports provided;¹⁷
- Mr Fulton states that the opponent has made substantial efforts to advertise and promote its XACT- marks.¹⁸ Its marketing activities include YouTube videos, social media presence, Google Adwords etc in addition to traditional marketing such as brochures, print advertisements and attendance at industry events. The opponent's websites attracted over 33,000 views by UK consumers between October 2020 and December 2021;¹⁹
- The amounts spent on promoting and advertising the opponent's goods and services are provided and shown below:²⁰

Year	Advertising expenditure
2016	Over 55k GBP
2017	Over 40k GBP
2018	Over 24k GBP
2019	Over 12k GBP
2020	Over 16k GBP

22. My considerations here are similar to those regarding the XACTANALYSIS in the original decision, where I stated:

¹⁷ WS1 [26] and Exhibit MF18

¹⁸ WS1 [27]

¹⁹ ditto

²⁰ Exhibit MF20

“45. The evidence illustrates that the opponent began activities (under the XACTWARE mark) in the UK in 2007 and turnover and promotional spend has been provided from 2016. It is true that the turnover is modest in respect of the potential size of the sector, but at about £1 million a year it has some significance. Mr Malynicz’s criticism is that the turnover is presented in such a way that it is not known what proportion of turnover relates to which mark. However, I accept that the evidence demonstrates that the mark XACTWARE is the trade name that the opponent uses as its house brand and is likely to be visible in all of its trading. The position is less clear in respect of the individual products identified by its mark XACTANALYSIS. These are clearly important products of the opponent, but I am unable to draw any other conclusion regarding their scale of use. The issue is further complicated by the fact that some of the turnover is likely to relate to products identified by other names. For example, the evidence also makes references to XACTIMATE and XACTCONTENTS.”

23. In respect of the XACTIMATE mark there are more references in the evidence and examples of how the product is accessed. The evidence shows:

- (i) there has been UK customers for the XACTIMATE product since at least September 2011 (see [21] fourth bullet point above);
- (ii) that the XACTIMATE product has been available through its website since at least September 2012 (see [21] eighth bullet point above), and;
- (iii) the opponent’s client base of nearly 200 customers all use its XACTIMATE product (see [21] twelfth bullet point above)

24. However, there remain shortcomings in the evidence that limit the conclusions I can make regarding the scope and scale of use of the XACTIMATE mark. The opponent clearly uses this mark, but it will only account for a proportion of the sales disclosed and this proportion is unknown, and I am unable to ascertain the scale of its use or to what extent its customers use the product. In conclusion, it is unclear to what

degree the mark benefits from an enhanced level of distinctive character. Consequently, I conclude that the mark does not benefit from any enhanced distinctive character arising from the use made of it

Global Assessment – Conclusions on Likelihood of Confusion

25. I remind myself that I have found:

- at least some of the respective goods and services are identical;
- The opponent's mark presents as a single, invented word where the distinctive character resides in the totality and not in any particular group of letters. I recognised that it may be perceived, by some consumers, as an illusion to the words "exact " and "estimate";
- The applicant's mark presents as the word BUILD and the misspelling of EXACT. These two parts are conjoined and form a unit to create the allusive message "to build in an exact or precise manner". The misspelling of the second part increases the distinctive character of the mark slightly, but the distinctiveness resides in its totality.
- The applicant's mark shares a low level of visual, aural and conceptual similarity with the opponent's XACTIMATE mark.;
- It is common ground between the parties that the average consumer is a specialist who will pay an increased level of care and attention during the purchasing process. This will be visual in nature but aural considerations may be relevant in some circumstances;
- The opponent's mark is endowed with a between a medium and high level of inherent distinctive character that has not been enhanced through use.

26. I remind myself of Mr Tritton's submission at the original hearing that there was a likelihood of direct confusion because BUILD is so descriptive that it "falls out of the cognitive process". My view (expressed at [50] in the original decision) is that the mark presents as a single word where both BUILD and XACT contribute equally to its allusive meaning. There is a specialist consumer who will pay an increased level of attention. Further, and as with my findings in the original decision relating to the

possibility of a likelihood of confusion between the applicant's mark and the opponent's XACTWARE and XACTANALYSIS marks, the differences between the marks combine so that the consumer is very likely to be aware of the differences between them. In particular, the different position of the XACT part of the respective marks and the fact that the remaining parts of the marks are different leads me to find that there is no likelihood of direct or indirect confusion between the mark XACTIMATE and BUILDXACT even where the respective goods and services are identical and where the respective marks may be recalled imperfectly.

Merits of the opposition under section 5(2)(b) based upon the opponent's family of marks

27. Next, I turn to the opponent's claim that there is indirect confusion based upon a family of marks. In the appeal decision, the Appointed Person set out the issues that I should consider, namely:

(i) Whether there is a sufficient number of marks to form a family

28. It is clear from my findings in the original decision and earlier in this decision that there are now three marks forming the family of marks relied upon by the opponent, namely, XACTWARE, XACTANALYSIS and XACTIMATE. On the basis of the comments of the Appointed Person²¹ it is clear that it is uncontentious that three marks are a sufficient number to form a family of marks.

(ii) Each mark in the family of marks must have a "shared characteristic"

29. As the Appointed Person observed, at [58] of the original decision, I found that the XACTWARE mark was an invented word where its distinctive character resides in the whole mark. Therefore, XACT does not have an independent distinctive role in the mark. The Appointed Person referred to *Il Ponte Finanziaria SpA v OHIM*, Case C-234/06 that stated:

²¹ At [18] of his decision

“62. While it is true that, in the case of opposition to an application for registration of a Community trade mark based on the existence of only one earlier trade mark that is not yet subject to an obligation of use, the assessment of the likelihood of confusion is to be carried by comparing the two marks as they were registered, the same does not apply where the opposition is based on the existence of several trade marks possessing common characteristics which make it possible for them to be regarded as part of a ‘family’ or ‘series’ of marks.”

30. I found the position was slightly different to the position in respect to the XACTWARE when considering the opponent’s XACTANALYSIS mark, where, at [26] of the original decision, I stated:

“...I accept that in respect of the mark XACTANALYSIS, the position is slightly different [compared to the XACTWARE mark]. Here, the word “analysis” retains its identity within the mark so that the mark presents as a misspelling of the word EXACT, and the word ANALYSIS conjoined, rather than a single invented word. They form a unit to create the allusive message of “precise scrutiny” or similar. ...”

31. I consider that the XACTIMATE mark presents in the same way as the XACTWARE mark, namely, as a single invented word.

32. At [19] of his decision, the Appointed Person noted that “[w]here the shared characteristic has an independent distinctive character then it may be its membership of a family is immaterial and it can be considered in the same way as any other such mark ... However, in this case the Hearing Officer concluded that the XACT element of the marks did not have an (inherent) independent distinctive role”. Two out of the three earlier marks (XACTWARE and XACTIMATE) present as a single invented word. The third (XACTANALYSIS) presents as two words conjoined. To my mind, this does not prevent the three marks being recognised as a family of marks because of the common beginning letters XACT. In the two invented words, whilst XACT may not have a *prima facie* independent distinctive character when each mark is considered separately, where the consumer has knowledge of all three of the marks it becomes

more likely that the XACT letters at the beginning of all three marks will be perceived as indicating a common origin. Therefore, for the purposes of this decision I continue on the basis that it is material that the three earlier marks have a shared characteristic, namely that they all begin with the letters XACT.

(iii) It is necessary that the marks forming the family were used in the market place

33. At [52] of the original decision I found that the Opponent's XACTWARE and XACTANALYSIS marks were present on the UK market. It is also clear from the evidence detailed at [21], above, that its XACTIMATE mark is also present on the market.

34. In light of my above considerations, I conclude that the three earlier marks are a family of marks.

35. Acknowledging that the mark XACTIMATE forms part of a family of marks with XACTWARE and XACTANALYSIS creates a slightly different factual background than that considered in the original decision. With an increased number of marks in the family, there is the possibility it becomes more likely that the XACT element will be perceived as having relevance in identifying the origin of goods and services provided under the marks in the family.

36. At [20] of his decision, the Appointed Person noted Mr Tritton's submission that any mark including the XACT letters would be seen as part of the family irrespective of the placement of XACT within the mark. The Appointed Person observed that, therefore, "[t]he Hearing Officer will have to consider this submission in light of the guidance from the General Court (Court of First Instance) which has suggested that where the shared characteristic is always in the same place in each member of the family then it being elsewhere in the applicant's mark means that the mark might not be seen as being part of the family".

37. The Appointed Person specifically referred to the following comments of the General Court:

“127. ..., the trade mark applied for must not only be similar to the marks belonging to the series, but also display characteristics capable of associating it with the series. That **could not** be the case where, for example, the element common to the earlier serial marks is used in the trade mark applied for either in a different position from that in which it usually appears in the marks belonging to the series or with a different semantic content.”²²

and

“81. However, according to the above case-law, the likelihood of confusion attaching to the existence of a family of earlier marks can be pleaded only if both of two conditions are satisfied. First, the earlier marks forming part of the ‘family’ or ‘series’ must be present on the market. Secondly, the trade mark applied for must not only be similar to the marks belonging to the series, but also display characteristics capable of associating it with the series. That **might not** be the case, for example, where the element common to the earlier serial marks is used in the trade mark applied for either in a different position from that in which it usually appears in the marks belonging to the series or with a different semantic content (BAINBRIDGE, paragraphs 125 to 127).”²³

38. The Appointed Person observed that the language used by the court varied between these two judgments with the first using “could not” and the second “might not” but he went on to note that subsequent case law uses both qualifications.

39. I can envisage scenarios where an element common to two parties’ marks is so well known in respect of one of them, then its position in a later mark may not need to be the same position in order for the mark to be perceived as being a member of the family of marks owned by the first party. I now consider if this is the case in the current proceedings.

²² *Il Ponte Finanziaria SpA v European Union Intellectual Property Office*
Case T-194/03

²³ *Miguel Torres SA v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*
(OHIM), T-287/06

40. I remind myself that there was some evidence that the opponent's customers refer to it and its products as XACT. This supports the premise that the family of marks exists because of the common occurrence of XACT at the beginning of all the marks but it is not a determinative factor in establishing if there is a likelihood of confusion. Set against this are a number of factors that support my finding at [60] – [64] of the original decision and also supports the premise that whilst there are some pointers towards a likelihood of confusion, they are outweighed by these factors, which are:

- All the marks in the family begin with the letters XACT whereas the contested mark BUILDXACT has the letters at the end and, therefore, does not follow the same format as the family;
- I cannot ascertain how sufficiently widespread the opponent's use is of its XACTIMATE and XACTANALYSIS marks;
- The letters XACT have an allusive message, and;
- the purchasing process involves an increased degree of attention.

41. The combination of these factors are likely to successfully mitigate against a likelihood that the applicant's mark will be perceived as being a part of the family of marks. XACT is not so distinctive, either *prima facie* or through use as part of the opponent's three earlier marks, that the relevant public, upon encountering the applicant's mark, will perceive it to be part of the same family of marks. Therefore, the opponent's claim that there would be a likelihood of indirect confusion fails.

42. In summary, having considered the factors identified by the Appointed Person, the outcome remains unchanged and the opponents claim under section 5(2)(b) of the Act is dismissed.

The merits of the opposition under section 5(3) taking into account the family of marks argument

43. I remind myself that the issue before is limited to that identified by the Appointed Person at [50 (ii) b.] of his decision, namely:

“Whether there is a link for the purposes of section 5(3) between XACTWARE and BUILDXACT taking into account the family of marks (and if a link is found, whether the injury required for section 5(3) is established).”

44. Once again, I keep in mind the case law set out in my original decision, but I do not reproduce it again here.

45. At [78] of the original decision, I found that the opponent’s XACTWARE mark had sufficient reputation to engage section 5(3) but that the scale of the reputation is reasonably modest. In respect of the assessment of reputation of the other two marks in the family, I stated:

“79. For the same reasons referred to in respect of my considerations regarding enhanced distinctive character, the evidence fails to show that the XACTANALYSIS mark benefit from a reputation. The evidence regarding the mark XACTIMATE is a little stronger but as Mr Tritton conceded, XACT is less dominant because the letter “T” may be read as the second letter in ESTIMATE. I consider that these marks would not have represented a stronger case than that based upon XACTWARE and the absence, or otherwise, of a reputation in respect of these two marks does not materially impact upon the opponent’s section 5(3) case.”

46. The Appointed Person made the following comments regarding the impact of the fact that there is a family of marks relied upon by the opponent:

“41. ..., there is no reason in principle why a reputation for the purposes of section 5(3) cannot develop in the shared characteristic of a family of marks rather than (or as well as) in one of more of the individual marks (see *CITIBANK*, [106] and [107]). But this is not the Appellant’s case before me.

42. Nevertheless, the fact a reputation has been developed in respect of only one member of the family does not mean that that mark being part of a family is irrelevant. The General Court has held that the fact it is in a family is relevant for determining whether there is a link between the earlier mark with a

reputation and the mark applied for [T-301/09] *CITIBANK*, [106]; T-518/13 *MacCOFFEE*, EU:T:2016:289, [73]; T-428/18 *McDREAMS*, EU:T:2019:738, [85].

43. Accordingly, if the Hearing Officer concludes on remittal that the three marks do indeed form a family of marks, this factor will need to be taken into account when assessing whether there is link between the marks required by section 5(3).”

47. Therefore, I am now required to consider the impact of the family of three XACT-marks in considering if the requisite link exists between these XACT- marks and the mark BUILDXACT. As before, I proceed on the basis that identical goods/services are involved, a factor that may increase the potential for the link to be established. The opponent use of its marks will increase the likelihood that the consumer will recognise XACT- marks as indicating its goods and services that come from a single undertaking. This places the opponent in a stronger position when compared with the position as discussed in the original decision. However, keeping in mind the factors identified in the bullet points of [40] above, they lead me to reach the same conclusion as in the original decision, namely that these factors are such that the requisite link will not be established. The additional dimension created by the existence of a family of three earlier marks, whilst improves the opponent’s case, it is not enough to justify a different finding to that in the original decision. Any bringing to mind of the opponent’s family of marks will quickly be dismissed as no more than coincidence.

48. Having taken these additional issues into account, I conclude that my finding that the ground based upon section 5(3) of the Act fails is not disturbed having now factored into to my considerations, the existence of a family of three earlier marks.

Summary

49. Having addressed the issues identified by the Appointed Person, I have found that the outcome remains unchanged, and the opposition fails in its entirety. The contested mark can, subject to any appeal, proceed to registration.

COSTS

50. This decision has arisen from a remittal by the Appointed Person and costs are only relevant in respect of the written submissions provided by the parties in respect of the remittal points. The applicant has been successful and is entitled to a contribution towards these submissions and I award £350.

Dated this 14th day of December 2023

Mark Bryant
For the Registrar