BL- o/783/22

TRADE MARKS ACT 1994

IN THE MATTER OF:
TRADE MARK APPLICATION NO. 3542559
Yorox
BY XL GROUPS LTD
(Applicant/Respondent)

AND

IN THE MATTER OF
OPPOSITION NO. 422936 THERETO
BY YOOX NET-A-PORTER GROUP S.p.A.
(Opponent/Appellant)

AND

IN THE MATTER OF
AN APPEAL TO THE APPOINTED PERSON
AGAINST DECISION NO. O/206/22
OF MS. CHARLOTTE CHAMPION DATED
10 MARCH 2022

The Applicant/Respondent was represented by Mr Nigel Parnell of Laytons LLP.

The Opponent/Appellant was represented by Mr Nick Zweck of Counsel, instructed by Kelties

Hearing date: 27 May 2022.

DECISION

Introduction

1. This is an appeal against decision BL O/206/22 of Ms C Champion, sitting as a Hearing Officer on behalf of the Registrar of Trade Marks, dated 10 March 2022. By that decision the Hearing Officer rejected Opposition No. 422936 in its entirety. She ordered the Opponent to pay the Applicant £1900 as a contribution towards its costs.

The Application (the Contested Mark) and the Opposition

2. The Contested Mark YOROX was filed on 9 October 2020. Protection was sought in classes 3, 9, 11, 16, 20, 21, 24, 25, 28 and 35 and the application was published on 27 November 2020. The goods and services are listed in Annex 1.

3. On 27 January 2021 the Opponent filed a partial opposition directed at classes 3, 9, 16, 25, 28 and 35 of the Contested Mark. The Opposition was based on 3 registrations of the mark YOOX.

    a) UK trade mark no. 3439434 YOOX ("the 394 mark")
    Filing date 25 October 2019
    Registration date 24 January 2020
    Class 35: The bringing together, for the benefit of others, of clothing, headgear and footwear, jewellery, watches, fashion accessories, sporting equipment, cameras, audio-visual equipment, textiles, books, stationery, magazines, toys, cosmetics, perfumes, eau de toilette, eau de parfum, colognes, non-medicated toilet preparations, enabling customers to conveniently view and purchase those goods; the bringing together, for the benefit of others, of eye wear, luggage, bags, wallets, card holders, clutch bags, briefcases, saddlery, whips and apparel for animals, umbrellas, sports helmets, brushes and other articles for cleaning, brush-making materials, tableware, cookware and containers, furniture and furnishings, lamps, enabling customers to conveniently view and purchase those goods; the bringing together, for the benefit of others, of household and kitchen utensils, barware, cosmetic and toilet utensils and bathroom articles, dental cleaning articles, articles for the care of clothing and footwear in particular shoe polish kit, shoe horns, articles for cleaning purposes, enabling customers to conveniently view and purchase those goods; retail services connected with the sale of clothes and fashion accessories from an Internet website specialising in the marketing of clothing and fashion accessories; administration and management of customer loyalty and incentive schemes; consumer loyalty scheme services; retail services, including online retail, physical stores, television channel, telephone or mobile phone, portable Internet-enabled device, or other telecommunications device or direct marketing, relating to clothing, headgear and footwear, jewellery, watches, fashion accessories, sporting equipment, cameras, audio-visual equipment, textiles, books, stationery, magazines, toys, cosmetics, perfumes, eau de toilette, eau de parfum, colognes, non-medicated toilet preparations; retail services, including online retail, physical stores, television channel, telephone or mobile phone, portable Internet-enabled device, or other telecommunications device or direct marketing,

relating to eye wear, luggage, bags, wallets, card holders, clutch bags, briefcases, saddlery, whips and apparel for animals, umbrellas, sports helmets, brushes and other articles for cleaning, brush-making materials, tableware, cookware and containers, furniture and furnishings; retail services, including online retail, physical stores, television channel, telephone or mobile phone, portable Internet-enabled device, or other telecommunications device or direct marketing, relating to lamps, household and kitchen utensils, barware, cosmetic and toilet utensils and bathroom articles, dental cleaning articles, articles for the care of clothing and footwear in particular shoe polish kit, shoe horns, articles for cleaning purposes; the provision of information and advice in relation to retail services; business management consultancy; provision of advice and assistance in the selection of goods; promotion services through provision of sponsored links to third party websites; promotion of goods and services through sponsorship; advertising and business services; advertising for others.

b) International trade mark designating the EU YOOX no. 854072 ("the 072 mark")
Designation date 27 April 2005
Date of protection 27 April 2005
Class 18: Bags and products of leather and imitation leather
Class 25: Articles of clothing included in this class, including footwear, accessories such as bandanas, headbands, boas, braces, berets, mufflers, purses, belts, hats, headgear, earmuffs, neckties, gloves, underwear, scarves.

c) International trade mark designating the EU YOOX no. 871442 ("the 442 mark")
Designation date 6 September 2005
Date of protection 6 September 2005
Class 9: Software.

4. The opposition was brought under sections 5(2)(b) and 5(3) of the Trade Marks Act 1994 ("the Act").

5. Section 5(2)(b) of the Act provides that:
"5(2) A trade mark shall not be registered if because - …

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of

confusion on the part of the public, which includes the likelihood of association with the earlier trade mark."

6. As for S. 5 (3), this provides that:

   "A trade mark which –

   a) is identical with or similar to an earlier trade mark, …

   shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark."

7. The Applicant denied the Opponent's grounds in full. In addition, it requested that the Opponent prove genuine use of the 072 and 442 marks and put the Opponent to proof of both the reputation of its marks and its claims of marketing and promotional investment made in respect of its marks. The Opponent filed evidence in support of its case.

<u>The Hearing Officer's Decision</u>

8. The Decision covered a number of procedural/technical points which are not appealed, and which are not relevant to the disposal of this matter. Details can be found in the Decision below.

<u>Proof of Use – 442 and 072 Marks</u>

9. The Hearing Officer determined that the Opponent's evidence failed to prove the genuine use of the 442 mark for the only goods covered thereby ("software"). The case based on this mark failed accordingly.

10. As regards 072, the Hearing Officer held that genuine use had been proven for a fair specification of "bags; document holders of leather or imitation leather" in class 18 and "Articles of clothing included in this class, including footwear, belts, hats, scarves" in class 25.

11. The Hearing Officer determined, in short, that:

    <u>Section 5 (2) (b)</u>

    a) All of the parties respective goods and services were identical or similar to varying degrees, save for the Applicant's "Scientific, nautical, surveying, weighing, measuring, signalling, checking (supervision),apparatus and instruments; mechanisms for coin-operated apparatus; cash registers, calculating machines; fire-extinguishing apparatus; video tapes, audio cassettes, compact discs, floppy discs and CD-ROMs; computer software and publications in electronic form supplied online from databases or from facilities provided on a global

computer network (including web sites). CD and DVD holders; parts and fittings for all the aforesaid goods", which were found to be dissimilar to any of the Opponent's goods and services.

b) The Average Consumer would range from a member of the general public to a specialist purchaser, mostly acting on visual cues and using a medium-high degree of attention.

c) The marks were visually and aurally similar to only a low degree. The parties and the Hearing Officer agreed that the marks being invented, no conceptual comparison could be made.

d) The earlier marks, being invented terms, had inherently high distinctive character. The distinctive character of YOOX had been further enhanced to a very high degree by use in respect of retail services connected with the sale of clothing, footwear, headgear and fashion accessories, but not otherwise.

e) Given the visual and aural differences between the parties' marks, there was no likelihood of either direct or indirect confusion.

f) The S. 5 (2) (b) ground of opposition failed.

Section 5 (3)

a) The Opponent could rely on a reputation in respect of "retail services connected with the sale of clothing, footwear, headgear and fashion accessories" only. The earlier mark did, however, enjoy high and enhanced distinctive character.

b) Nevertheless, given the differences between the marks the Hearing Officer held that the requisite link was not present, that "the use of the letter "Y" at the start and "X" at the end, will, at best, cause a fleeting bringing to mind" and that this was insufficient to give rise to the types of damage required under the section..

The Appeal

Notice of Appeal

12. The Opponent filed an appeal on 7 April 2022, based only on findings relating to the 394 and 072 marks. Rather unhelpfully, the grounds were not individually numbered so I shall remedy that here. The grounds of appeal were, in essence, as follows:

1) Under S. 5 (2) (b), that the Hearing Officer's conclusion that YOOX and YOROX were visually similar to only a low degree "was a conclusion which was clearly wrong in circumstances

where the high degree of similarity between the two marks is plain" and that this undermined the conclusion that there was no likelihood of confusion.

2) Under S. 5 (3) that the same error as to the similarity of marks under S. 5 (2) (b) led directly to a flawed conclusion that the necessary "link" was absent.

3) Additionally, the Hearing Officer was said to have erred by finding at [137] first that there was "no link" having subsequently found that there *was* a "fleeting bringing to mind, or link".

4) Further, the Hearing Officer was said to have erred in her approach to assessing the likely detriment to the distinctive character and repute of the Opponent's marks and the degree to which the Applicant would gain unfair advantage, by wrongly conflating the similarity of marks/strength of the "link" with the damage flowing therefrom.

5) Finally, the Hearing Officer was said to have failed to consider the question of damage too distinctive character.

Respondent's Notice

13. The Respondent filed a Respondent's Notice on 12 May 2022 which asserted the correctness of the original decision but, as a fall-back in respect of S. 5(3), pleaded that the damage requirements of that section were not satisfied.

The Appeal Hearing

14. The Appeal was heard on 27 May 2022. The Appellant was represented by Mr Nick Zweck of Counsel, instructed by Kelties. The Applicant was represented by Mr Nigel Parnell of Laytons LLP.

Standard of Review

15. I detected no disagreement between the parties as to the standard of review. The principles to be applied were recently summarised by Joanna Smith J in *Axogen Corporation v Aviv Scientific Ltd* [2022] EWHC 95 (Ch) at [24]:

"I was referred to numerous cases on the subject (including English v Emery Demibold & Struck Ltd [2002] 1 WLR 2409, REEF Trade Mark [2003] RPC 5, Fine & Country Ltd v Okotoks Ltd [2014] FSR 11, Fage UK Ltd v Chobani UK Ltd [2014] EWCA Civ 5, Shanks v Unilever Plc [2014] RPC 29, TT Education Ltd v Pie Corbett Consultancy [2017] RPC 17, Apple Inc v Arcadia Trading Limited [2017] EWHC 440 (Ch), Actavis Group PTC v ICOS Corporation [2019] UKSC 1671 and NINEPLUS O/039/21), the approach of the appeal court to a statutory appeal under section 76(1) of the TMA is uncontroversial. I bear the following principles, relevant to the issues before me, firmly in mind:

i) The appeal is by way of a review, not a rehearing (see TT Education Ltd v Pie Corbett Consultancy Ltd (O/017/17) at [52(i)]);

ii) The appeal court will allow an appeal where the decision of the lower court was "wrong" (see CPR 52.11). Neither surprise at a Hearing Officer's conclusion, nor a belief that he or she has reached the wrong decision suffices to justify interference (NINEPLUS O/039/21 at [14]);

iii) The decision of the lower court will be "wrong" if the judge makes an error of law, which might involve asking the wrong question, failing to take account of relevant matters or taking into account irrelevant matters. Absent an error of law, the appellate court would be justified in concluding that the decision of the lower court was wrong if the judge's conclusion was "outside the bounds within which reasonable disagreement is possible" (Actavis Group at [81]);

iv) The approach required by the appeal court depends on a number of variables including the nature of the evaluation in question (REEF Trade Mark [2003] RPC per at [26]). There is a "spectrum of appropriate respect for the Registrar's determination depending on the nature of the decision" (TT Education at [52(ii)]), with decisions of primary fact at one end of the spectrum and multi-factorial decisions ... being further along the spectrum.

v) In the case of a multifactorial assessment or evaluation, involving the weighing of different factors against each other, the appeal court should show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle. Special caution is required before overturning such decisions (TT Education at [52(iv)], REEF at [28] and Fine & Country at [50]-[51]).

vi) An error of principle is not confined to an error as to the law but extends to certain types of error in the application of a legal standard to the facts in an evaluation of those facts. The evaluative process is often a matter of degree upon which different judges can legitimately differ and 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 (Actavis Group at [80]).

vii) Another variable to be taken into account will be "the standing and experience of the fact-finding judge or tribunal" (REEF at [26], Actavis Group at [78]). Expert tribunals are charged with applying the law in the specialised fields and their decisions should be respected unless it is quite clear that they have misdirected themselves in law. Appellate courts should not rush to find such misdirections simply because they might have reached a different conclusion on the facts (Shanks at [28] citing the warning given by Baroness Hale in AH (Sudan) v Secretary of State for the Home Department [2007] UKHL 49).

viii) The appellate court should not treat a judgment as containing an error of principle

simply because of its belief that the judgment or decision could have been better expressed; "The duty to give reasons must not be turned into an intolerable burden" (see REEF at [29]). The reasons need not be elaborate. There is no duty on a judge, in giving her reasons, to deal with every argument presented by counsel in support of his case. It is sufficient if what she says shows the basis on which she has acted (English at [17], Fage at [115]). The issues the resolution of which were vital to the judge's conclusions should be identified and the manner in which she resolved them explained (English at [19]).
ix) In evaluating the evidence, the appellate court is entitled to assume, absent good reason to the contrary, that the first instance judge has taken all of the evidence into account (TT Education at [52(vi)]).

16. As to whether a decision is "wrong", I remind myself of the words of Mr Daniel Alexander QC sitting as a Deputy Judge of the Chancery Division in *Abanka DD v Abanca Corporacion Bancaria SA* [2017] EWHC 2428 (Ch) at [24] that *"the real question, as all the cases say, is whether the decision in question was wrong in principle or was outside the range of views which could reasonably be taken on the facts…".*

17. I bear these principles in mind.

<u>Merits of the Appeal</u>

S. 5 (2) (b)

<u>Ground 1 - Visual Similarity</u>

18. The Opponent's complaint focussed on the issue of the visual similarity of the marks, which the Hearing Officer had found to be 'low". It is well established that, whilst it is not impossible to overturn a hearing officer's findings as to similarity, it is no easy task, this being a matter of evaluation with which an appellate body should be reluctant to interfere. Thus, as I observed to Mr Zweck, that is quite a steep hill to climb.

19. Nevertheless, Mr Zweck made a determined effort to persuade me that I should interfere in this case, that the Hearing Officer should have found that the level of visual similarity was "high" and that the failure to do so fell within the category of "unreasonable" decisions which were "wrong". In his skeleton argument, Mr. Zweck argued:

"The Appellant submits that this must be a case in which it is entirely appropriate to overturn the Hearing Officer's finding on visual similarity, A brief visual comparison is all that is required. The

only difference between the marks in question here is the letter "r" sandwiched in the middle of the Respondent's otherwise identical mark. This is plainly a finding which falls outside the bounds within which reasonable disagreement is possible; is plainly wrong."

20. At the Hearing Mr Zweck doubled down on this, submitting that:

"There is really only one very small difference between them (the marks) and that difference is lost in the middle so it is almost a paradigm case for -- the only way this could be even more similar is to remove one small letter which is stuck in the middle…If one were to look at one of these marks and then look at it a few minutes later even, the only way to make them more similar would be to remove the R, in which case they are identical. In order, there is one very small difference between them and that small difference is a thing which if you removed it they would go from whatever they are at the moment to being actually identical. It cannot be the case logically and reasonably that you go from low similarity to identity on account of one extremely small difference, in my submission. It is just one of these cases where the Hearing Officer has vaulted over the line in terms of what is reasonable".

21. The effect of a single letter of difference on the assessment of similarity between marks can be all or nothing, minor, neutral or major, depending entirely on the particular facts. An example of this can be found in O/301/20 *BOSCO* per Mr James Mellor QC sitting as the Appointed Person (by analogy, at [45]).

22. The assessment of any category of similarity is part of the Hearing Officer's evaluative role. The Hearing Officer carried out this evaluation of visual similarity thus:

"112. Visually, the marks align in respect of the four letters "YO" and "OX". The marks differ visually in respect of the letter additional fifth letter "r" in the Applicant's mark, which, when compared with the Opponent's earlier mark, splits the word "YOOX". With the Opponent's mark being only four letters in length, the addition of a fifth letter has a greater impact that an additional letter would have in a mark featuring more letters. Also, the way the additional letter dissects the mark results, in my opinion, in a greater difference than if, for example, the additional letter were at the end of the mark. I therefore disagree with Mr Zweck's argument that the letter "r" is lost in the middle of the word. Taking account of the factors I have set out, I consider the marks to be visually similar to a low degree."

23. Here it is clear that the Hearing Officer took into account those letters which were identical in form and alignment but that she also recognised the impact of the placement of the letter "R" and

its “dissecting” effect. This is reinforced by her findings on aural similarity at [113], that the letter “R” changes the syllabic and aural structure of the Contested Mark.

24. Whilst Mr Zweck advanced his case with vigour, in truth the ground of appeal amounts to no more than a mere disagreement with the Hearing Officer’s decision. For my part, I am unable to perceive any fault in the Hearing Officer’s evaluative analysis and the conclusion was one she was fully entitled to reach. Even if one were to disagree with it, the Decision is certainly not “wrong” in any appellate sense and in particular it is nowhere close to being *“outside the bounds within which reasonable disagreement is possible”*.

25. I therefore dismiss this ground of appeal.

S 5 (3)

Ground 2 - Similarity of Marks

26. Mr Zweck submitted was that if the Hearing Officer was wrong as regards her findings on the marks’ similarity under S. 5 (2) (b), this having also been the bedrock of her approach to S. 5 (3), that fatally undermined her analysis of any “link” such that I could, and should, intervene.

27. However, since I have found against the Appellant on the S 5 (2) (b) ground of appeal, this argument goes no further. The Ground fails.

Ground 3 - The Hearing Officer erred in finding that there will be no “link” whilst also accepting in the same paragraph that there would be “a fleeting bringing to mind” or link.

28. The Hearing Officer included the relevant case law on the need for a “link at [127]:

“[127] The relevant case law in respect of section 5(3) can be found in the following judgments of the CJEU: Case C-375/97, General Motors, Case 252/07, Intel, Case C- 408/01, Adidas-Salomon, Case C-487/07, L’Oreal v Bellure and Case C-323/09, Marks and Spencer v Interflora and Case C383/12P, Environmental Manufacturing LLP v OHIM. The law appears to be as follows.

… (c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; Adidas Saloman, paragraph 29 and Intel, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services,

the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42…*

29. The Hearing Officer's findings on "link" were contained in [137]:

    "Although a likelihood of confusion is not necessary to find there is a link, I find that there will be no link. The addition of the letter "r" in the Applicant's mark, which dissects the Opponent's mark, creates significant visual and aural differences between the marks. Even for identical services and taking account of the very high distinctive character of the mark in respect of which it has a qualifying reputation, the use of the letter "Y" at the start and "X" at the end, will, at best, cause a fleeting bringing to mind. A fleeting bringing to mind, or link, is not enough for one of the types of damage to arise. A fleeting link has insufficient strength to cause customers of either the Opponent or the Applicant to alter their economic behaviour, either by avoiding the Opponent's services or choosing to use the Applicant's services, where they would not otherwise have done so. The ground fails."

30. Mr Zweck contrasted the Hearing Officer's finding of "no link" with the reference to a "fleeting link" for identical services. He submitted that having identified a link, albeit "fleeting", the Hearing Officer could not then simply dismiss it as having insufficient strength to support the damage claimed:

    "The cases … did not set a threshold level for when a "link" is "enough of a link", or decree that a "fleeting link" was not enough. According to the cases, once there is a link, that is enough for the purposes of section 5(3) and the question becomes one of assessing whether and to what extent damage flows from that link".

31. In effect, therefore, Mr Zweck's argument had two independent limbs. First, that the finding of "no link" could not stand once it had been accepted there might be a fleeting link for identical services. Secondly, that once such a fleeting link was established the Hearing Officer should have proceeded to make a full assessment of damage, there being no threshold (fleeting or otherwise) a link had to meet before that was triggered.

32. For the Applicant, Mr Parnell submitted that the Hearing Officer's finding that there was "no link" was correct. He explained the references to a fleeting link as an alternative finding for identical services only, to cover her position in the event that on appeal her initial finding was found to be wrong.

33. Although its origins are not clear, references to a “fleeting link” are now commonplace in UK IPO Decisions. Reviewing past decisions it is clear this has become a shorthand way of describing a “bringing to mind” which is so inconsequential, trivial or weak that it is not sufficient to lead to any of the relevant heads of damage, effectively being immediately dismissed or ignored by the consumer. One might question whether the word “fleeting” is appropriate but the gist, at least, is clear.

34. It is not uncommon for Hearing Officers to find that no link has been made out but to include in their decision a further finding, in the alternative and by way of insulation, that even if they are wrong any link will be so “fleeting” as to rule out the likelihood of damage as required by S. 5 (3). Usually, however, this is made crystal clear.

35. [137] is not a model of clarity in this respect. On the one hand, it could be read as containing two different and inconsistent conclusions. On the other, it can be read as a poorly expressed attempt at insulation. Yet a further option is that the Hearing Officer considered a “fleeting link” to be no link at all in the sense of *Adidas-Saloman.*

36. As to whether the finding of “no link” was unprincipled in the light of the reference to a “fleeting link, I have given this anxious consideration. I bear in mind that “*The appellate court should not treat a judgment as containing an error of principle simply because of its belief that the judgment or decision could have been better expressed”.* I am also of the view that whatever criticism or interpretation might be directed to [137] its ultimate thrust is clear – there will be no link capable of sustaining the S. 5(3) ground. Thus, despite the apparent inconsistency, I am not prepared to find that there was an error of principle in the overall conclusion. The finding that there was “no link” stands and the ground of appeal fails.

37. Even though I have upheld the Hearing Officer’s core finding that there was “no link” and that could be an end to it, for good measure I will deal with Mr Zweck’s second limb. Mr Zweck submitted that *Adidas* etc required only the establishment of a “bringing to mind” in order to require the Tribunal to proceed to a full analysis of damage under S. 5 (3). There was no threshold requirement – a “fleeting” link, however weak, triggered the process.

38. *Intel* at [32] makes it clear that a “link” alone is not sufficient to give rise to damage:
“However, the existence of such a link is not sufficient, in itself, to establish that there is one of the types of injury referred to in Article 4(4)(a) of the Directive, which constitute, as was stated in paragraph 26 of this judgment, the specific condition of the protection of trade marks with a reputation laid down by that provision”.

39. Furthermore, as noted by Mr Geoffrey Hobbs QC, sitting as a deputy judge in the High Court *in Electrocoin Automatics Ltd. v Coinworld Ltd & Or*s [2004] EWHC 1498 (Ch) (29 June 2004)

102. I think it is clear that in order to be productive of advantage or detriment of the kind proscribed, 'the link' established in the minds of people in the market place needs to have an effect on their economic behaviour[60]. The presence in the market place of marks and signs which call each other to mind is not, of itself, sufficient for that purpose. [61]

40. Thus, it is clear the quality of the "link" needs to exceed a certain threshold to give rise to damage.

41. The question then becomes, is it open to a Hearing Officer to conclude a "fleeting link" lacks sufficiency without first conducting a detailed assessment against each of the heads of damage claimed? In my view, it is. The same issue arose in O/106/20 *GREYBOX* and Mr Iain Purvis QC, sitting as the Appointed Person, dismissed it at [35] saying:

"The Hearing Officer was very clear that any link which might be created in the sense of the earlier mark being 'brought to mind' by the Trade Mark would be so 'fleeting' that no damage or unfair advantage would be caused. That is a perfectly reasonable determination on the facts which does not require a laborious analysis under each head of damage/unfair advantage".

42. In my view, the Hearing Officer in this case was fully entitled to take the same approach. I therefore reject this submission.

43. It follows that Ground 3 fails.

<u>*Grounds 4 and 5 – taken together, the Hearing Officer failed to consider whether the "fleeting link" could give rise to "dilution" or other heads of damage, the analysis being too cursory*</u>

44. As I understood Mr Zweck, he was content that if I determined the Hearing Officer was correct in holding there was "no link" then that would effectively dispose of the matter, these grounds being predicated on the alternative that the Hearing Officer should instead have determined that there was a "fleeting link". However, as I see it, the Hearing Officer's findings of a "fleeting link" are bound up with, and integral to, her overarching conclusion that there was no link. For the sake of completeness, therefore, I shall consider these grounds.

45. As previously noted, in [137] the Hearing Officer said "*A fleeting bringing to mind, or link, is not enough for one of the types of damage to arise. A fleeting link has insufficient strength to cause customers of either the Opponent or the Applicant to alter their economic behaviour, either by*

avoiding the Opponent's services or choosing to use the Applicant's services, where they would not otherwise have done so."

46. Mr Zweck's point was that the "damage" referred to in this passage does not go into all of the "heads", in particular (as the main example) damage to distinctive character, which is not directly mentioned here at all. He submitted in his skeleton argument that "*the Hearing Officer erred in principle by failing to give the issue of detriment to distinctive character <u>any</u> consideration, let alone proper consideration... the Hearing Officer ought to have deduced that the notional use of the Opposed mark across the classes complained of would be likely to cause detriment to the distinctive character of the UK 442 mark. In the premises, the Hearing Officer erred in principle and her decision on the section 5(3) grounds ought to be set aside.*

47. However, once again I bear in mind that I should not find an error of principle just because the Decision could have been better expressed, if the overall reasoning is clear.

48. The Hearing Officer properly instructed herself of the relevant case law and principles, including detriment to distinctive character, at [127]. I can see from the transcript of the hearing below that the issue was argued before the Hearing Officer. Finally, whilst the Hearing Officer does not explicitly refer to the individual heads of damage in [137], she does expressly state, for example (emphasis added):
    *"A fleeting bringing to mind, or link, <u>is not enough for **one** of the types of damage to arise"</u>.*

49. I am satisfied that in reaching her decision the Hearing Officer gave due consideration to all of the heads of damage, even if she could have expressed this more clearly and notwithstanding no express reference is made in [137] to damage to distinctive character. I am also satisfied that on the facts of this case as determined by the Hearing Officer, the individual heads of damage did not require a laborious analysis.

50. Grounds 4 and 5 therefore fail.

<u>Overall Conclusion</u>

51. Overall, therefore, the appeal fails and is dismissed in full. The application may proceed to registration.

<u>Costs</u>

52. As the successful party the Applicant is entitled to an award of a contribution to its costs. Both parties agreed that I should make the award based on the usual scale of costs.

53. The Hearing Officer made an award of £1900 against the Opponent as a contribution towards the costs of the Applicant. I order that YOOX NET-A-PORTER GROUP S.p.A. should pay XL GROUPS LTD a further sum of £1,300 by way of costs, made up of:

    a. Reviewing the Notice of Appeal and preparing a Respondent's Notice: £600
    b. Preparing a skeleton argument: £200
    c. Preparing for and attendance at the hearing: £500
    d. Total £1300

54. Therefore, I order YOOX NET-A-PORTER GROUP S.p.A. should pay XL GROUPS LTD a total sum of £3200 within 21 days of the date of this decision.

Philip Harris

Appointed Person

9 September 2022