

O-361-16

TRADE MARKS ACT 1994


**IN THE MATTER OF TRADE MARK APPLICATION 3096716
BY WORLD OF FASHION (MCR) LIMITED T/A GIFTOBAY.COM
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 35:**

Giftobay.com

AND

**OPPOSITION THERETO (NO. 404512) BY
EBAY, INC**

Background and pleadings

1. This dispute concerns whether the trade mark  should be registered for the following services in class 35:

Advertising services provided via the Internet; retail services connected with the sale of household items namely kitchen appliances, cutlery, dishes, bedroom accessories namely lamps, ornaments, bathroom accessories namely towels, towel rails, toothbrush holders, soap dispensers, toilet roll holders, candle holders, blankets, sheets, decorative fruit and vegetables, tin boxes, jars, bookends, cookware, utensils, bar stools, stationery, gift wrap, cards, fashion items namely men's clothes, women's clothes, children's clothes, underwear, fashion accessories namely handbags, watches, shoes, health and beauty products namely bath and body products, make up items, hair styling products, nail care products, professional salon and spa equipment, dietary and nutritional products, mobile phones, mobile phone accessories, cameras, photo equipment computers tablets, car electronics namely GPS Systems, video and console games, sporting goods and equipment for cycling, hunting, golf, fitness and exercise, fishing, arts and collectibles namely silver utensils, antique furniture, collectible books, clocks, lamps, vases, ceramics and porcelain, pictures and frames, mirrors, figurines, mugs, trinket boxes, tools, heating systems, home security systems, plumbing items, door handles, circuit breakers and fuse boxes, garden and outdoor products namely products for pools and spas, garden and patio furniture, outdoor power equipment namely lawnmowers, chainsaws, pressure washers, fertilizers.

2. The mark was filed on 27 February 2015 by World of Fashion (MCR) Limited t/a Giftobay.com (“the applicant”) and was published for opposition purposes on 13 March 2015.

3. eBay, Inc. (“the opponent”) opposes the registration of the mark under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). It relies on the following five earlier marks under both section 5(2)(b) and 5(3):

UK registration 2185144 for the mark: **EBAY**

The mark was filed on 22 December 1998 and registered on 8 December 2000. The opponent relies (and claims use and a reputation) on the following services in class 35:

Advertising services; providing online, interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network.

European Union Trade Mark ("EUTM") registration 1029198 for the mark: **EBAY**

The mark was filed on 24 December 1998 and registered on 22 June 2000. The opponent relies (and claims use and a reputation) on the following services in class 35:

Advertising services; online trading services.

UK registration 2642722 for the mark:



The mark was filed on 19 November 2012 and registered on 22 February 2013. The opponent relies (and claims a reputation) on the following goods and services:

Class 14: Clocks; watches; jewellery.


Class 16: Publications, namely, a series of nonfiction books, concerning hobbies, collectibles, auctions, and a wide variety of products relating to antiques, art, literature, culture, technology, travel, sports, entertainment, home furnishings, garden items, musical instruments, motor vehicles, toys and games, fashion, jewellery, electronics, photography, holiday related items, film and video; paper and stationery items, namely, greeting cards, memorandum boards, memo pads, paper postcards, stationery, pens and pencils; bumper stickers, calendars,

decorative stickers and decals.

Class 25: Clothing, namely, t-shirts, sweatshirts; caps; jackets; and visors.

Class 28: Christmas tree ornaments; soft sculpture toys; plush toys; toy miniature cars; bean bag toys; playing cards.

Class 35: On-line trading services, namely, operating on-line marketplaces for sellers and buyers of goods and services; online trading services in which sellers post products or services to be offered for sale and purchasing or bidding is done via the Internet in order to facilitate the sale of goods and services by others via a computer network; providing evaluative feedback and ratings of sellers' goods and services, the value and prices of sellers' goods and services, buyers' and sellers' performance, delivery, and overall trading experience in connection therewith; providing a searchable online advertising guide featuring the goods and services of online vendors; providing a searchable online evaluation database for buyers and sellers; advertising and advertisement services; business services, namely, providing a website that gives users the ability to create customized web pages featuring user-defined information in the field of intellectual property rights and intellectual property enforcement policies, in order to assist program participants with inquiries and requests regarding use of intellectual property by others in an online marketplace.

EUTM registration 11576865 for the mark: 

The mark was filed on 15 February 2013 and registered on 20 August 2013.

The opponent relies (and claims a reputation) on the following goods and services:

Class 9: Scientific, nautical, surveying, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus and instruments for conducting, switching, transforming, accumulating, regulating or controlling electricity; apparatus for

recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; compact discs, DVDs and other digital recording media; mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment, computers; computer software; fire-extinguishing apparatus; Mouse pads; computer e-commerce software to allow users to conduct electronic business transactions in online marketplaces via a global computer network; computer database software featuring information in the field of hobbies, collectibles and a wide variety of products; computer software and software development tools for use in developing further software and software applications in the field of e-commerce.

Class 14: Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments; Clocks; watches; jewellery.

Class 16: Paper, cardboard and goods made from these materials, not included in other classes; printed matter; bookbinding material; photographs; stationery; adhesives for stationery or household purposes; artists' materials; paint brushes; typewriters and office requisites (except furniture); instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printers' type; printing blocks; Publications, namely, a series of nonfiction books concerning hobbies, collectibles, auctions, and a wide variety of products relating to antiques, art, literature, culture, technology, travel, sports, entertainment, home furnishings, garden items, musical instruments, motor vehicles, toys and games, fashion, jewelry, electronics, photography, holiday related items, film and video; paper and stationery items, namely, greeting cards, memorandum boards, memo pads, paper postcards, stationery, pens and pencils; bumper stickers, calendars, decorative stickers and decals.

Class 18: Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas and parasols; walking sticks; whips, harness and saddlery; Duffel bags, tote bags, backpacks and briefcases.


Class 20: Furniture, mirrors, picture frames; goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics; Plastic key chain tags; plastic novelty license plate frames.

Class 21: Household or kitchen utensils and containers; combs and sponges; brushes (except paint brushes); brush-making materials; articles for cleaning purposes; steelwool; unworked or semi-worked glass (except glass used in building); glassware, porcelain and earthenware not included in other classes; Mugs; tumblers; water bottles sold empty; lunch boxes; dispensers for candy.

Class 25: Clothing, footwear, headgear; Clothing, namely, t-shirts, sweatshirts; caps; jackets; and visors.

Class 28: Games and playthings; gymnastic and sporting articles not included in other classes; Christmas tree ornaments; soft sculpture toys; plush toys; toy miniature cars; bean bag toys; playing cards.

Class 35: Advertising; business management; business administration; office functions; On-line trading services, namely, operating on-line marketplaces for sellers and buyers of goods and services; online trading services in which sellers post products or services to be offered for sale and purchasing or bidding is done via the Internet in order to facilitate the sale of goods and services by others via a computer network; providing evaluative feedback and ratings of sellers' goods and services, the value and prices of sellers' goods and services, buyers' and sellers' performance, delivery, and overall trading experience in connection therewith; providing a searchable online advertising guide featuring the goods and services of online vendors; providing a searchable online evaluation database for buyers and sellers; advertising and advertisement services

EUTM 12995833 for the mark: 

The opponent relies (and claims a reputation) on the following services in class 35:

Online trading services, namely, operating online marketplaces for sellers and buyers of goods and services; online trading services in which sellers post products or services to be offered for sale, and purchasing or bidding is done via the Internet in order to facilitate the sale of goods and services by others via a computer network; providing evaluative feedback and ratings of sellers' goods and services, the value and prices of sellers' goods and services, buyers' and sellers' performance, delivery, and overall trading experience in connection therewith; providing a searchable online advertising guide featuring the goods and services of online vendors; providing a searchable online evaluation database for buyers and sellers; advertising and advertisement services; business services in the nature of intellectual property claims management, namely, processing and administration of claims of intellectual property owners against third party sellers; identification verification services, namely, confirming authenticity of environmentally friendly products, producers and sellers for the purposes of helping consumers make informed purchasing decisions

4. The first two marks identified above were registered more than five years prior to the date on which the applied for mark was published. The relevance of this is that the proof of use provisions set out in section 6A of the Act are applicable. The opponent made a statement of use claiming that it has used its marks for the services on which it relies. The other three earlier marks are not subject to the proof of use provisions and they may, therefore, be relied upon without having to prove use.

5. Under section 5(2), the opponent claims that the word GIFT (in the applied for mark) is non-distinctive, so meaning that the OBAY element (which it says is highlighted in a bright green colour) is the dominant part of the mark. It also suggests that “.COM” should be ignored from the comparison as it is the most common top level domain. It considers the marks to be highly similar. It also consider the services to be identical or highly similar. The opponent claims that when the similarities

between marks/services are taken into account, together with the opponent's reputation, there is a likelihood of confusion.

6. Under section 5(3), the opponent claims that the earlier marks have a reputation and that a link will be made between them and the applied for mark. In terms of damage, the opponent claims that an unfair advantage will arise as the applicant will "feed on the fame" and will be "riding on the coattails" of the earlier marks and will free ride on the substantial investment made by the opponent with the applicant benefitting from "the power of attraction, the reputation and the prestige" of the earlier marks. It claims that the choice of the applied for mark results in the applicant being able to enter the marketplace without having to incur the same costs in advertising their services "in essence exploiting the reputation of [the earlier marks] by entering a ready-made market" and that the applicant "is benefitting from the large sums of money and efforts the Opponent has spent developing the association between "BAY" and a powerful and trusted presence in online retail". The opponent also claims that the choice of the mark and its similarity to that of the opponent was deliberate. It highlights that the applicant initially filed a mark with a similar multi-coloured and staggered lettering scheme as used by the opponent. The applicant's first mark was subsequently withdrawn following contact made by the opponent, the subject mark then being filed instead.

7. Under section 5(4)(a), the opponent relies on the use, since 1988, of the sign EBAY. In relation to the business of the opponent, it is claimed:

"The earlier right has been used in relation to a global online marketplace that allows consumers in the UK to advertise, market, buy and sell a vast number of items. Of particular relevance to these proceedings is the use that has been made of the earlier right in the UK for on-line trading services, marketplace, retail, wholesale, trading, auction, classified advertising, advertising and marketing services."

8. The opponent claims that the services offered under the applied for mark will be assumed to be those of the opponent, or otherwise approved or authorised by the opponent.

9. The applicant filed a counterstatement. It did not put the opponent to proof of use in respect of the two earlier marks that are subject to those provisions. Consequently, the earlier marks may be relied upon without having to prove use. The main points of the defence appear to be:

- OBAY is not the dominant element because the mark comprises the full brand name.
- That “.com” should not be ignored from the comparison because it creates a point of distinction.
- The bright green of OBAY does not draw the eye to it, it is simply used as a different colour (to GIFT), something which consequently creates a contrast with the stylisation used by the opponent.
- That the services are not identical or highly similar. It notes that the opponent’s marks cover various goods as well as its services in class 35 and that not all services selling goods in class 35 should be considered identical or highly similar “to their marks”.
- There is no likelihood of confusion.
- No link would be made between the marks because the target consumer is different. It is explained that GIFTOBAY is not intended to be a platform whereby different merchants are able to sell their products (as per eBay), it is instead a domain and a mark “which clearly targets its audience i.e. consumers of specific gift items”.
- It denies that any of the heads of damage under section 5(3) will arise. In relation to its previous trade mark, it states that the re-design of the mark shows the applicant’s willingness and cooperation to not cause unnecessary conflict. It states that the sign as it stands bears no resemblance to the earlier marks.

- The claim under section 5(4), relating to the law of passing-off, is denied.

10. Both sides have been professionally represented throughout the proceedings, the applicant by JMR Solicitors LLP, the opponent initially by Hogan Lovells International LLP, but subsequently by Nabarro LLP. Both sides filed evidence. A hearing took place before me on 10 June 2016 at which the opponent was represented by Mr Ashley Roughton (in-house counsel at Nabarro) and the applicant by Ms Mariam Razzaq of JMR Solicitors.

The opponent's evidence

11. This comes from Ms Amber Leavitt, the opponent's Director of Global Intellectual Property. She explains that the opponent was founded in 1995 and is one of the world's leading on-line marketplaces. It operates through a website which enables the "...advertising and sale of goods and services by a diverse community of individuals and businesses at a local, national and international level." I note the following specifically:

- eBay first registered UK users in March 1996 on its global site (ebay.com) and in January 1997 on its specific UK site (ebay.co.uk). Exhibits AL-1 and AL-2 show current¹ prints from these websites. The most prominent form of use of ebay is in the stylised form (as shown in the table of earlier marks), but there is also use of the plain word eBay. Reference is made to a variety of goods that can be purchased from EBAY users including clothing, jewellery, domestic appliances, electronics etc.
- Ms Leavitt states that a variety of products are offered on eBay including all of those listed in the specification of the applied for mark. Exhibit AL-3 is said to show some examples. The prints appear to be current prints. It is not possible to tell if they are from ebay.com or ebay.co.uk. The products include kitchen and dining products, beauty products, electronics and furniture.

¹ Ms Leavitt's witness statement is dated 2 November 2015

- Registering as a user on eBay enables a person to become a buyer or seller of goods. Users will also have access to features such as bid/price monitoring, a watch service for hard to find products, the ability to maintain virtual storefronts and the ability to access community resources such as chat rooms, discussion boards etc.
- The opponent has over 27 UK and EU trade marks, and, also, registrations in other countries. Exhibits AL-4 and AL-5 contain details. Even if such marks predate the application, this evidence is not pertinent as the tribunal can only consider the earlier marks that have been pleaded.
- In the five year period 2010 through 2014, the value of goods sold on eBay globally was \$320 billion. In the UK the figure was \$63 billion with \$15 billion worth of purchases in 2014 alone.
- eBay has, on average, 14 million listings and generates 1 million page views per day. This figure appears to be a global one, not contextualised to the UK.
- Website statistics obtained from Alexa.com (Exhibit AL-6) show that ebay.com is the 17th most viewed website in the world. Ebay.co.uk is the 97th most visited in the world and the 6th most visited in the UK.
- Ms Leavitt states that being a seller requires a user to maintain an active profile on the eBay website. This includes creating listings, photographing or describing items, maintaining a positive seller profile in order to attract purchasers, communicating with potential buyers and eventually shipping products to anywhere in the world.
- In the two years 2013 through 2014, \$3 billion was expended on promoting eBay worldwide, with \$300 million being spent in the UK alone.
- The intangible assets of the opponent, such as trade marks and domain names, were valued at over \$941 million in 2013. (Exhibit AL-7 refers).
- Exhibit AL-8 contains what Ms Leavitt describes as unsolicited (worldwide) articles in the media. The articles start in the late 90s and examples are

provided through to the mid noughties. Most are about the success of Ebay and how it works. Some refer to the opportunities for sellers being able to move on their unwanted products. There are articles about small businesses using eBay to trade. Many of the articles are from UK sources including the websites of national UK publications. At the hearing, Mr Roughton made specific reference to a number of these articles. I will touch on this later.

- In 2013 and 2014 eBay was ranked 28th in the Interbrand survey of the Best Global Brands. It was also the 4th most valuable brand in the Brandz Retail Category and 47th overall in the Global Top 100. Reports about these awards are provided in Exhibit AL-9.
- Exhibit AL-10 contains a table of decisions in which ebay has been held to be a famous mark and in which a particular trade mark or domain name with the suffix BAY was refused. Some of these decisions were in the jurisdiction of the EU and the UK. Those in the UK include decisions issued by this tribunal in cases involving the words VBAY and BEAUTYBAY.
- A print of the applicant's website is provided which includes a reference to eBay being an exception to the rule that very few ecommerce websites have what it takes to become truly successful. (Exhibit AL-11 refers).
- Exhibit AL-12 contains a copy of the previous application made by the applicant (referred to in the statement of case). It looks like this:



The applicant's evidence

12. This comes from Mr Mohammad Shamim, a director of the applicant. I note the following:

- Giftobay.com was founded in 2014 and is “primarily an online retail business selling consumer gift items”.
- The GIFTOBAY website was set up in January 2015 and the applicant applied for a mark used since then.
- Exhibit MAS-1 contains a current print from the website showing the applicant's applied for mark. The page has categories running along the top (HOME, GIFTS, GIFTS FOR HIM, OCCASIONAL GIFTS, WEDDING GIFTS and HOMEWARE GIFTS). The page then has a number of photographs of products with descriptions, some are descriptions of categories, others are of products.
- Mr Shamim states that the gifts sold on the applicant's website include gift items, decorative household items, jewellery and furniture. He contrasts this with what he says are sold on eBay which he identifies as kitchen appliances, health and beauty products and video games. It is not clear why Mr Shamim limits the goods for which sales have been facilitated in such a way.
- Mr Shamim states that the applicant's business has grown steadily and that it has had 160 customers.
- Exhibit MAS-2 contains a press release published by PR WEB about Giftobay. It is referred to as an ecommerce website/platform. Reference is made to the way in which its products are categorised by gift designators (such as age, gender etc).
- Just under £13,000 has been spent on promoting the applicant's service since launch.

13. Much of the remainder of Mr Shamim's evidence consists of submission as opposed to evidence of fact. I will bear the submissions in mind, but will not summarise them here. I note, though, the comment by Mr Shamim that given the operation of the applicant's website, one would have expected instances of confusion to have arisen, but that no evidence of confusion has been filed. Mr

Shamim also states that the applicant's business targets consumers which contrasts with eBay's model which is used by registered users acting as purchasers and sellers.

14. Mr Shamim states that the applicant is not passing itself off as the opponent. In relation to the earlier application it filed, it is explained that at the initial stage legal advice had not been obtained, however, having now taken advice, it has taken every step to avoid any conflict and to ensure that the BAY aspect of the mark is "not provided as a suffix to the term". Provided in Exhibits MAS 3-5 are examples of other businesses using the word OBAY/BAY/EBAY, including:

- A print from the website velobay.de selling cycling products (in Germany).
- A print from the website VBAY (a UK website) which links vets and suppliers.
- A print from the website EDAY. This is clearly not relevant.
- A google search report for the term TECHBAY which brings up hits for websites with that name.
- A print from the website TECHBAY.CO.UK, which does not use those words on the website itself.
- A Google search report for the term PAY4BAY with hits relating to the business of that name. A review is provided of the underpinning website in which PAY4BAY is described as the "BEST EBAY ALTERNATIVE AUCTION SITE".
- A print from the website Furniture Bay (a UK website) which sells furniture.

15. In relation to the extract from the applicant's website which makes reference to eBay, Mr Shamim states that this is in no way a comparison of the services, but merely a statement of fact, one which commends eBay on how it has conducted its business.

Section 5(2)(b)

16. Section 5(2)(b) of the Act states 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.”

17. The following principles are gleaned from the judgments of the EU courts in *Sabel BV v Puma AG*, Case C-251/95, *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc*, Case C-39/97, *Lloyd Schuhfabrik Meyer & Co GmbH v Klijsen Handel B.V.* Case C-342/97, *Marca Mode CV v Adidas AG & Adidas Benelux BV*, Case C-425/98, *Matratzen Concord GmbH v OHIM*, Case C-3/03, *Medion AG v. Thomson Multimedia Sales Germany & Austria GmbH*, Case C-120/04, *Shaker di L. Laudato & C. Sas v OHIM*, Case C-334/05P and *Bimbo SA v OHIM*, Case C-591/12P.

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely

upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a greater degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public will wrongly believe that the respective goods or services come from the same or economically-linked undertakings, there is a likelihood of confusion.

The goods/services

18. When making a comparison, all relevant factors relating to the goods/services in issue should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* the CJEU stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary.”

19. Guidance on this issue has also come from Jacob J In *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 where the following factors were highlighted as being relevant when making the comparison:

“(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.”

20. In terms of being complementary (one of the factors referred to in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*), this relates to close connections or relationships that are important or indispensable for the use of the other. In *Boston Scientific Ltd v OHIM* Case T- 325/06 it was stated:

“It is true that goods are complementary if there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking (see, to that effect, Case T-169/03 Sergio Rossi v OHIM – Sissi Rossi (SISSI ROSSI) [2005] ECR II-685, paragraph 60, upheld on appeal in Case C-214/05 P Rossi v OHIM [2006] ECR I-7057; Case T-364/05 Saint-Gobain Pam v OHIM – Propamsa (PAM PLUVIAL) [2007] ECR II-757, paragraph 94; and Case T-443/05 El Corte Inglés v OHIM – Bolaños Sabri (PiraÑAM diseño original Juan Bolaños) [2007] ECR I-0000, paragraph 48).”

21. In relation to complementarity, I also bear in mind the guidance given by Mr Daniel Alexander QC, sitting as the Appointed Person, in case B/L O/255/13 *LOVE* where he warned against applying too rigid a test:

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in

question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston.”

22. In relation to understanding what terms used in specifications mean/cover, the case-law informs me that “in construing a word used in a trade mark specification, one is concerned with how the product is, as a practical matter, regarded for the purposes of the trade”² and that I must also bear in mind that words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning³. I also note the judgment of Mr Justice Floyd (as he then was) in *YouView TV Limited v Total Limited* where he stated:

“..... Trade mark registrations should not be allowed such a liberal interpretation that their limits become fuzzy and imprecise: see the observations of the CJEU in Case C-307/10 *The Chartered Institute of Patent Attorneys (Trademarks) (IPTRANSLATOR)* [2012] ETMR 42 at [47]-[49]. Nevertheless the principle should not be taken too far. Treat was decided the way it was because the ordinary and natural, or core, meaning of "dessert sauce" did not include jam, or because the ordinary and natural description of jam was not "a dessert sauce". Each involved a straining of the relevant language, which is incorrect. Where words or phrases in their ordinary and natural meaning are apt to cover the category of goods in question, there is equally no justification for straining the language unnaturally so as to produce a narrow meaning which does not cover the goods in question.”

23. I will begin with the competing class 35 specifications. The applicant seeks registration for advertising services provided over the Internet. All of the earlier marks include the term advertising or advertising services. Consequently, these services are identical.

² See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

³ See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd and Another* [2000] FSR 267

24. I next consider the applicant's retail services, which are connected with a large and varied range of specified goods. The opponent does not provide a retail service itself. It instead facilitates trade via its website between buyers and sellers of various goods. However, I must consider the specifications of the earlier marks on a notional basis, not on the basis of the actual use the opponent has made. Irrespective of this, the class 35 specifications of most of the opponent's earlier marks are limited to the type of service it provides. The relevant parts of the specifications of four of the earlier marks are worded as follows:

Registration 2185144 - *Providing online, interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network.*

Registration 2642722 - *On-line trading services, namely, operating on-line marketplaces for sellers and buyers of goods and services; online trading services in which sellers post products or services to be offered for sale and purchasing or bidding is done via the Internet in order to facilitate the sale of goods and services by others via a computer network; providing evaluative feedback and ratings of sellers' goods and services, the value and prices of sellers' goods and services, buyers' and sellers' performance, delivery, and overall trading experience in connection therewith; providing a searchable online advertising guide featuring the goods and services of online vendors; providing a searchable online evaluation database for buyers and sellers; advertising and advertisement services; business services, namely, providing a website that gives users the ability to create customized web pages featuring user-defined information in the field of intellectual property rights and intellectual property enforcement policies, in order to assist program participants with inquiries and requests regarding use of intellectual property by others in an online marketplace.*

Registration 11576865 - *On-line trading services, namely, operating on-line marketplaces for sellers and buyers of goods and services; online trading services in which sellers post products or services to be offered for sale and purchasing or bidding is done via the Internet in order to facilitate the sale of goods and services by others via a computer network; providing evaluative*

feedback and ratings of sellers' goods and services, the value and prices of sellers' goods and services, buyers' and sellers' performance, delivery, and overall trading experience in connection therewith; providing a searchable online advertising guide featuring the goods and services of online vendors; providing a searchable online evaluation database for buyers and sellers; advertising and advertisement services.

Registration 12995853 -*Online trading services, namely, operating online marketplaces for sellers and buyers of goods and services; online trading services in which sellers post products or services to be offered for sale, and purchasing or bidding is done via the Internet in order to facilitate the sale of goods and services by others via a computer network; providing evaluative feedback and ratings of sellers' goods and services, the value and prices of sellers' goods and services, buyers' and sellers' performance, delivery, and overall trading experience in connection therewith; providing a searchable online advertising guide featuring the goods and services of online vendors; providing a searchable online evaluation database for buyers and sellers; advertising and advertisement services; business services in the nature of intellectual property claims management, namely, processing and administration of claims of intellectual property owners against third party sellers; identification verification services, namely, confirming authenticity of environmentally friendly products, producers and sellers for the purposes of helping consumers make informed purchasing decisions.*

25. Despite Mr Roughton submitting that the above specifications could be interpreted as covering retail services, I do not agree. Bearing in mind the case-law about how to interpret terms, the essence of what is covered is no more than what the opponent actually does provide. That, though, does not mean that the services are not similar. The applicant's retail services could be provided through an e-commerce website, as are the services of the earlier marks. The purpose of the competing services is, at their heart, to enable someone to buy something, although there is a difference in that one is the service of a particular retailer whereas the other facilitates selling and buying between users. The selling and buying could, though, relate to the same type of goods as the retail service. The services are not really in competition (despite the similarity in purpose) but there is a degree of

complementarity because an online retailer could make use of the marketplace service to sell its wares, although I do not regard this as the strongest form of complementarity. I consider that there is medium degree of similarity between the services of the earlier marks and those of the applicant in so far as online retail services are concerned. There is only a low degree of similarity with retail services provided by physical means.

26. I note that the specification of the fifth earlier mark relied upon by the opponent contains a term which, unlike the other specifications, does not specify the exact nature of what is provided. The specification is for registration no. 1029128 and covers the term:

Online trading services

27. The above term strikes me as inherently vague in terms of what it is intended to cover. In *Chartered Institute of Patent Attorneys v Registrar of Trade Marks*, Case C-307/10 the CJEU stated:

“Directive 2008/95 must be interpreted as meaning that it requires the goods and services for which the protection of the trade mark is sought to be identified by the applicant with sufficient clarity and precision to enable the competent authorities and economic operators, on that basis alone, to determine the extent of the protection conferred by the trade mark.”

28. In *Advance Magazine Publishers, Inc. v OHIM*, Case T-229/12, the General Court held that ‘accessories’ is a vague term. The OHIM Board of Appeal therefore erred in law in comparing it with ‘umbrellas’. It therefore appears that where a term is not sufficiently precise to identify the characteristics of the goods/services at issue, that term cannot be the subject of a finding that it covers goods/services which are similar to other goods/services.

29. I consider “online trading services” to lack the necessary clarity and precision to enable me to make a proper comparison with the retail services of the applied for

mark. Therefore, this term does not improve the opponent's position beyond what I have already held.

30. Some of the earlier marks cover advertising services which must also be compared with the applicant's retail services. In my view, the opponent's position is not improved (over and above the findings already made). Indeed, whilst there is something of a complementary relationship between advertising and retailing, I consider that any resultant similarity is moderate (between low and medium).

31. The opponent's marks also include goods in various classes. Some of those goods correspondent to the goods the subject of the applicant's retail services. For example, watches and clocks, clothing and stationery. In relation to the applied for retail services, I note that in *Oakley, Inc v OHIM*, Case T-116/06, at paragraphs 46-57, the General Court held that although retail services are different in nature, purpose and method of use to goods, retail services for particular goods may be complementary to those goods, and distributed through the same trade channels, and therefore similar to a degree. In *Tony Van Gulck v Wasabi Frog Ltd*, Case BL O/391/14, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, reviewed the law concerning retail services v goods; he stated:

“9. The position with regard to the question of conflict between use of **BOO!** for handbags in Class 18 and shoes for women in Class 25 and use of **MissBoo** for the Listed Services is considerably more complex. There are four main reasons for that: (i) selling and offering to sell goods does not, in itself, amount to providing retail services in Class 35; (ii) an application for registration of a trade mark for retail services in Class 35 can validly describe the retail services for which protection is requested in general terms; (iii) for the purpose of determining whether such an application is objectionable under Section 5(2)(b), it is necessary to ascertain whether there is a likelihood of confusion with the opponent's earlier trade mark in all the circumstances in which the trade mark applied for might be used if it were to be registered; (iv) the criteria for determining whether, when and to what degree services are ‘similar’ to goods are not clear cut.”

32. However, on the basis of the European courts' judgments in *Sanco SA v OHIM*⁴, and *Assembled Investments (Proprietary) Ltd v. OHIM*⁵, upheld on appeal in *Waterford Wedgwood Plc v. Assembled Investments (Proprietary) Ltd*⁶, Mr Hobbs concluded that:

i) Goods and services are not similar on the basis that they are complementary if the complementarity between them is insufficiently pronounced that, from the consumer's point of view, they are unlikely to be offered by one and the same undertaking;

ii) In making a comparison involving a mark registered for retail services and a mark proposed to be registered for goods (or vice versa), it is necessary to envisage the retail services normally associated with the applicant's goods and then to compare the applicant's goods with the retail services covered by the opponents' trade mark;

iii) It is not permissible to treat a mark registered for 'retail services for goods X' as though the mark was registered for goods X;

iv) The General Court's findings in *Oakley* did not mean that goods could only be regarded as similar to retail services where the retail services related to exactly the same goods as those for which the other party's trade mark was registered (or proposed to be registered).

33. At least for the type of goods I have identified in paragraph 31, I consider the relevant complementary relationship to be in play with the applied for retail service. I consider that this equates to a medium degree of similarity.

Average consumer and the purchasing act

⁴ Case C-411/13P

⁵ Case T-105/05, at paragraphs [30] to [35] of the judgment

⁶ Case C-398/07P

34. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer*, Case C-342/97. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

“60. The trade mark questions have to be approached from the point of view of the presumed expectations of the average consumer who is reasonably well informed and reasonably circumspect. The parties were agreed that the relevant person is a legal construct and that the test is to be applied objectively by the court from the point of view of that constructed person. The words “average” denotes that the person is typical. The term “average” does not denote some form of numerical mean, mode or median.”

35. In terms of the retail services specified in the application, the average consumer is a member of the general public. The retailer will be chosen with an average level of care and consideration. Even if the goods the subject of the retail service are more considered in some circumstances, one must remember that the specification relates to the retailer not the actual goods themselves. The selection process will be undertaken via mainly visual means after perusing websites, signage in the high street (in so far as physical retail services are concerned), brochures and leaflets etc. I will not, though, completely ignore the aural impacts of the marks.




36. I think much the same applies to the opponent's services, the level of care and consideration will not be materially different and the same mechanisms for selection apply. I also add that there is no materially different level of consideration even if one were to consider the goods of the earlier mark or the advertising services covered by both marks.

Comparison of marks

37. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

“.....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion.”

38. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. I should also say that I accept Ms Razzaq’s submission that the reputation of the earlier marks should not be taken into account when assessing the similarity of the marks, although it must be taken into account when considering whether there exists a likelihood of confusion⁷.

39. Two of the opponent’s marks consist of the plain word **EBAY**, two are for the mark  and the final earlier mark is . These are to be compared with .

40. In terms of the overall impressions of the earlier marks, the word EBAY constitutes the only component of the opponent’s word marks, so that comprises their overall impressions. In terms of the stylised marks, the words ebay and bay are both stylised. The respective word plays the greater relative role in the overall

⁷ Ms Razzaq relied on *Ravensburger AG v OHIM* Case T-234/09.

impression, although the stylisation, with its alternate colouring, is quite striking and, so, this also plays a reasonable role in the overall impression.

41. In terms of the overall impression of the applicant's mark, this comprises the word GIFTOBAY, the device of a bow above the letter "I" and the domain indicator ".com". Given the relative sizes and distinctiveness, the bow and .com play fairly minor roles, although they are not negligible and thus will not be ignored from the comparison. The element GIFTOBAY has greatest relative weight. Due to the contrasting colouring of GIFT and OBAY, it will be apparent to the average consumer the word as a whole is based upon those two elements, although, I still consider that the word reads though as a whole. I do not agree with the opponent that this means that OBAY will become the focal point.

42. Conceptually, Mr Roughton referred to the various meanings (such as a body of water) of the word BAY. The BAY earlier mark will clearly be conceptualised on the basis of such a word, regardless of which specific meaning is settled upon. I think the same applies to the earlier EBAY marks. In the context of an e-commerce website, the average consumer is likely to associate the initial letter E with the abbreviation for electronic and, therefore, will break the marks down to E-BAY, with BAY then taking on the meaning of that word. In contrast, the context of the applied for mark is of the element GIFT and OBAY, forming an invented word GIFTOBAY. I see no reason why the average consumer would split the mark down further to GIFT, the letter O and the word BAY. The word GIFTOBAY will be seen as an invented whole, with the only evocation, as Ms Razzaq submitted, being predicated upon the word GIFT. The marks are conceptually different.

43. Aurally, the earlier marks will be articulated as EE-BAY and BAY, respectively. The applied for mark will be articulated as either GIFT-OH-BAY-DOT.COM (if the domain name is articulated) or GIFT-OH-BAY (if it is not). Considering the latter articulation first, in comparison to the earlier marks, it is clear that they have the same final syllable. That final syllable is preceded in the applied for mark and the earlier EBAY marks with a short vowel sound EE/OH, although those sounds themselves are not particularly similar. The applied for mark is noticeably longer containing the extra syllable GIFT. There may be slightly more similarity with the

earlier EBAY mark than there is with the BAY earlier mark, but not to any material extent. I consider that both marks are similar to the applied for mark but to only a low degree. If the domain name is articulated in the applied for mark then the degree of aural similarity is even lower

44. Visually, all of the marks contain the word/letters BAY, but the applied for mark is longer on account of the additional word GIFT. The extra/different letter O is another difference. There are also further visual differences on account of the bow and the domain name, although, bearing in mind the assessment I made with regard to the applied for mark's overall impression, I do not place significant weight on this difference. The stylisation of the marks must also be borne in mind, this is something Ms Razzaq strongly highlighted. Three of the earlier marks have the alternate coloured letters as described earlier. This creates a further and quite noticeable visual difference with the applied for mark which does not share such stylisation and, indeed, has its own contrasting colour scheme. I consider that any visual similarity with the opponent's stylised marks is extremely low. I note, though, that two of the earlier marks are plain words so the difference created by the opponent's stylisation is not in play. In respect of the colouring of the applied for mark, this should not be taken into account in the comparison to the opponent's plain word mark (because the plain word could notionally be used in any colour). Overall, I consider the degree of visual similarity between the applied for mark and the plain EBAY marks to be slightly higher, but it is still only a very low degree.

Distinctive character of the earlier mark

45. The degree of distinctiveness of the earlier mark must be assessed. This is because the more distinctive the earlier mark, based either on inherent qualities or because of use made, the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the

goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

46. Both the EBAY and BAY earlier marks are inherently distinctive to at least an average degree, BAY having no obvious allusive qualities in relation to the services, even though the E in EBAY does. The stylisation of some of the marks adds to this, but this is not pertinent when it comes to assessing whether there is a likelihood of confusion because it is the distinctiveness of the common element that matters⁸.

47. The use made of EBAY (both plain and stylised) is compelling. These marks are to be regarded as highly distinctive in relation to services such as its marketplace services. This, though, does not apply to the goods of the earlier mark or the advertising services. In relation to the latter, the opponent is not really providing advertising services, it is facilitating trade via auctions (including buy it now auctions) and virtual store-fronts. In relation to the BAY earlier mark, whilst I accept that BAY is a recognisable part of the word EBAY, it does not play an independent role and, therefore, I find that BAY alone should not be taken as highly distinctive.

⁸ As per *Kurt Geiger v A-List Corporate Limited* BL O-075-13, a decision of Mr Iain Purvis QC sitting as the Appointed Person.

Likelihood of confusion

48. The factors assessed so far have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17), a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused. Confusion can be direct (which effectively occurs when the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same, but puts the similarity that exists between the marks/services down to the responsible undertakings being the same or related).

49. Before coming to my conclusions under section 5(2)(b), I must deal with two points raised by Ms Razzaq. First, she highlighted that despite the applicant having been trading for 18 months, there have been no complains or instances of confusion. I do not consider this submission to be pertinent. An absence of confusion is rarely significant. In *The European Limited v The Economist Newspaper Ltd* Millett L.J. stated that:

“Absence of evidence of actual confusion is rarely significant, especially in a trade mark case where it may be due to differences extraneous to the plaintiff’s registered trade mark.”

50. Furthermore, and probably more importantly, the applicant’s use has been on such a small scale that little opportunity for confusion will have arisen. The second point is about other traders who have used names which include the word BAY. I summarised the details of the web pages showing such use at paragraph 14. Some are clearly not relevant - one is a German website, one does not even use the word BAY. Of the rest, all I have is the existence of a handful of websites. There is no evidence of what level of trade has been conducted, without which I cannot say what impact, if any, such use will have had on the average consumer. I reject the pertinence of this evidence and submission.

51. I will firstly consider the position in respect of the applied for retail services and focus initially on the opponent's marketplace services. In terms of direct confusion, notwithstanding the high degree of distinctiveness of the earlier EBAY marks, and whilst I bear in mind the concept of imperfect recollection, I am satisfied that the differences that exist between the marks are more than sufficient to avoid a likelihood of them being mistaken for one another. If there is to be a positive finding under section 5(2)(b) then indirect confusion is the more arguable candidate. Indirect confusion was dealt with by Mr Iain Purvis QC, sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 where he noted that:

“16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: “The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite distinctive in their own right (“26 RED TESCO” would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as “LITE”, “EXPRESS”, “WORLDWIDE”, “MINI” etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension (“FAT FACE” to “BRAT FACE” for example).”

52. Mr Roughton argued that the average consumer would see the applied for mark as, effectively, an extension of EBAY, albeit an arm of the business that focused on gifts, due to the descriptive nature of the word GIFT and the common presence of the word BAY. Whilst I understand the point, this is a case where it is asking too much to assume that the average consumer will come to such a conclusion. Notwithstanding the high degree of distinctiveness of the earlier marks and the concept of imperfect recollection, these factors are outweighed by the low/no levels of aural, visual and conceptual similarity, combined with the fact that the competing services are similar to only a medium level. It is also telling that the opponent has not extended its brand in any way previously. Whilst this would not be a pre-requisite for a positive finding, if the average consumer had already been exposed to the opponent extending its brand to other BAY marks (particularly with a descriptive prefix) then the opponent’s position would have been stronger. The opposition fails in relation to the applied for retail services to the extent that the opposition is based on the opponent’s marketplace services. My findings in relation to the other aspects of the section 5(2)(b) case are as follows:

- i) To the extent that the opponent opposes the applicant’s retail services on the basis of its advertising services, the opposition also fails. The services have only a moderate level of similarity and the opponent does not benefit from its reputation. The same assessment with regard to the marks is applicable. There is no likelihood of confusion.
- ii) To the extent that the opponent opposes the applicant’s retail services on the basis of its goods (some of which correspond to those the subject of the applicant’s retail services), many of the same factors apply, and when

coupled with the different type of relationship between the goods/services, and the lack of any reputation in relation to the goods, there is no likelihood of confusion.

- iii) In relation to the applied for advertising services (and comparing initially with the opponent's advertising services), although the services are identical, I come to the same view based principally on the low levels of similarity between the marks. Furthermore, the opponent does not benefit from its reputation. There is no likelihood of confusion. The opponent is in no better position relying on its marketplace services. Although the reputation is relevant, the service similarity is less, which, when coupled with the similarity between the marks, leads to a finding that there is no likelihood of confusion.

53. The opposition under section 5(2)(b) fails.

Section 5(4)(a) – passing off

54. Section 5(4)(a) of the Act reads:

“A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

(b)...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark.”

55. Halsbury's Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing-off. The analysis is based

on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

56. It is clear that the opponent has the necessary goodwill to overcome the first hurdle set out above. However, in terms of misrepresentation, it is logical to conclude that if there is a no likelihood of confusion then, similarly, there will be no misrepresentation for similar reasons as given above. Mr Roughton did not advance a materially different case under section 5(4)(a). The ground under section 5(4)(a) fails.

Section 5(3)

57. Section 5(3) of the Act reads:

“5-(3) 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 (or, in the case of Community trade mark, in the European Community) 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.”

58. The leading cases are the following CJEU judgments: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Addidas-Salomon*, [2004] ETMR 10 and Case C-487/07, *L’Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(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 later mark would cause an average consumer to bring the earlier mark to mind; *Addidas 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*

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68*; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79*.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious likelihood that this will happen in future; *Intel, paragraphs 76 and 77*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of

the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

Reputation

59. The earlier marks must have a reputation. In *General Motors* the CJEU stated:

“The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.”

60. Given what I have already said at paragraph 47, I accept that the earlier EBAY marks (both plain word and stylised) have the requisite reputation in respect of, essentially, online marketplace services. It is a particularly strong reputation. Indeed, I note that the applicant accepts that the earlier EBAY marks have a significant reputation. I do not accept that the earlier BAY mark meets the test, so will say no more about this earlier mark.

The required link

61. In addition to having a reputation, a link must be made between the subject trade mark and the earlier marks. In *Adidas-Salomon*, the CJEU stated:

“The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23). The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors

relevant to the circumstances of the case (see, in respect of the likelihood of confusion, SABEL, paragraph 22, and Marca Mode, paragraph 40).”

62. In *Intel* the CJEU provided further guidance on the factors to consider when assessing whether a link has been established. It stated:

“41 The existence of such a link must be assessed globally, taking into account all factors relevant to the circumstances of the case...

42 Those factors include:

- the degree of similarity between the conflicting marks;
- the nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public;
- the strength of the earlier mark’s reputation;
- the degree of the earlier mark’s distinctive character, whether inherent or acquired through use;
- the existence of the likelihood of confusion on the part of the public”.

63. Most of these factors have already been assessed under section 5(2)(b). There is no reason why the assessment should be any different under section 5(3). For the record, my findings in relation to the factors are:

- The degree of similarity between the conflicting marks – **the marks are conceptually different, the marks are aurally similar to a low degree (at best), the marks are visually similar but to only a very low degree.**

- The nature of the goods or services for which the conflicting marks were registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public – **there is a medium degree of similarity between the reputed services and the applied for (online) retail services, and a moderate level of similarity with the applied for advertising services. Despite Ms Razzaq submitting that different consumers are targeted on account of the different business models operated, it must be observed that the relevant public does overlap.**
- The strength of the earlier mark’s reputation – **the reputation is a strong one.**
- The degree of the earlier mark’s distinctive character, whether inherent or acquired through use – **the earlier EBAY marks are at least averagely distinctive from an inherent point of view, but when use is taken into account, they are to be regarded as highly distinctive.**
- The existence of a likelihood of confusion on the part of the public – **there is no likelihood of confusion.**

64. I come to the view that despite the fairly low level of similarity between the marks overall, I consider that the closeness of the respective services, together with the strong reputation of the earlier mark, will result in the relevant public bringing the EBAY mark(s) to mind when the applicant’s mark is encountered. A link will be made.

The heads of damage

65. There are three potential heads of damage under section 5(3). They are often referred to as: i) free-riding, ii) dilution, and iii) tarnishing. The three kinds of damage were conveniently summarised by the CJEU in Case C-487/07), *L’Oréal v Bellure*, as follows:

“39. As regards detriment to the distinctive character of the mark, also referred to as ‘dilution’, ‘whittling away’ or ‘blurring’, such detriment is caused when that mark’s ability to identify the goods or services for which it is registered is weakened, since use of an identical or similar sign by a third party leads to dispersion of the identity and hold upon the public mind of the earlier mark. That is particularly the case when the mark, which at one time aroused immediate association with the goods or services for which it is registered, is no longer capable of doing so (see, to that effect, *Intel Corporation*, paragraph 29).

40. As regards detriment to the repute of the mark, also referred to as ‘tarnishment’ or ‘degradation’, such detriment is caused when the goods or services for which the identical or similar sign is used by the third party may be perceived by the public in such a way that the trade mark’s power of attraction is reduced. The likelihood of such detriment may arise in particular from the fact that the goods or services offered by the third party possess a characteristic or a quality which is liable to have a negative impact on the image of the mark.

41. As regards the concept of ‘taking unfair advantage of the distinctive character or the repute of the trade mark’, also referred to as ‘parasitism’ or ‘free-riding’, that concept relates not to the detriment caused to the mark but to the advantage taken by the third party as a result of the use of the identical or similar sign. It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.”

Unfair advantage

66. The primary argument is based upon unfair advantage. This was considered by Arnold J in *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch):

“80. The arguments in the present case give rise to two questions with regard to taking unfair advantage. The first concerns the relevance of the defendant's intention. It is clear both from the wording of Article 5(2) of the Directive and Article 9(1)(c) of the Regulation and from the case law of the Court of Justice interpreting these provisions that this aspect of the legislation is directed at a particular form of unfair competition. It is also clear from the case law both of the Court of Justice and of the Court of Appeal that the defendant's conduct is most likely to be regarded as unfair where he intends to benefit from the reputation and goodwill of the trade mark. In my judgment, however, there is nothing in the case law to preclude the court from concluding in an appropriate case that the use of a sign the objective effect of which is to enable the

81. The second question is whether there is a requirement for evidence of a change in the economic behaviour of consumers or a serious likelihood of such a change. As counsel for House of Fraser pointed out, the CJEU has held that proof that the use of the sign is or would be detrimental to the distinctive character of the trade mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the trade mark is registered or a serious likelihood that such change will occur in the future: see *Intel* at [77], [81] and Case C-383/12 *Environmental Manufacturing LLP v Office for Harmonisation in the Internal Market* (unreported, 14 November 2013) at [34]-[43]. As counsel for House of Fraser accepted, there is no requirement for evidence of a change in the economic behaviour of consumers of the *trade mark proprietor's* goods or services in order to establish the taking of unfair advantage of the distinctive character or repute of the trade mark. He submitted, however, that it was necessary that there should be evidence of a change in the economic behaviour of the consumers of the *defendant's* goods or services.

82. Counsel for Jack Wills did not dispute that, in order for advantage to be taken of the trade mark's distinctive character or repute, it was necessary for there to be some change in the behaviour of the defendant's consumers as a

result of the use of the allegedly infringing sign, or a serious likelihood of such a change. Nor did he dispute that what was required was a change in the behaviour of the consumers as consumers of the relevant goods and services, and in that sense in their economic behaviour. He submitted, however, that the trade mark proprietor could not be expected to adduce positive evidence that consumers had changed their behaviour as a result of the use of the sign.

83. In my judgment the correct way to approach this question is to proceed by analogy with the approach laid down by the Court of Justice in *Environmental Manufacturing* in the following passage:

“42. Admittedly, Regulation No 207/2009 and the Court's case-law do not require evidence to be adduced of actual detriment, but also admit the serious risk of such detriment, allowing the use of logical deductions.

43. None the less, such deductions must not be the result of mere suppositions but, as the General Court itself noted at paragraph 52 of the judgment under appeal, in citing an earlier judgment of the General Court, must be founded on ‘an analysis of the probabilities and by taking account of the normal practice in the relevant commercial sector as well as all the other circumstances of the case’.”

67. There was a discussion at the hearing as to the pertinence of the applicant's earlier trade mark application (now withdrawn). It looked like this:



68. Mr Roughton submitted that it was appropriate to consider this earlier application in deciding what the applicant's intentions were with regard to the new application. I accept that it is not inappropriate to bear this earlier application in mind. I also accept

that there is a striking degree of visual similarity with the opponent's stylised EBAY marks, similarity which, in my view, can be no co-incidence.

69. The applicant's position is that the earlier mark was filed without taking legal advice and that every step has been taken to avoid conflict. However, the applicant does not say why it chose its first mark with a striking degree of similarity to EBAY's stylised marks. It is therefore not unreasonable to assume that the applicant must have seen some benefit in using a mark so close to that of EBAY's stylised marks. Further, it is not unreasonable to assume that it may also have seen some benefit in continuing to use GIFTOBAY as part of the re-design, even though the potential for confusion may have been mitigated. However, it does not automatically follow that this equates to an unfair advantage being gained.

70. I asked Mr Roughton about the required image transfer. Most of his answers were based upon the existence of a trust factor. At the start of the hearing Mr Roughton took me to a number of exhibits in the opponent's evidence. There is evidence that EBAY has a number of fraud prevention mechanisms such as escrow payments and user feedback ratings. I accept that EBAY have been proactive in terms of putting such mechanisms in place. However, the necessity of having such mechanisms is symptomatic of the business model that EBAY operate. It facilitates trade between users of its ecommerce website and, thus, is a type of business model, with the huge number of registered users that it has, which is inherently susceptible to fraudulent activity. Whilst fraud is something that could occur in many fields, the operation of a retail service does not engender such an inherent level of risk. I also asked Mr Roughton if the trust he was referring to was trust with the users (via the use of the feedback system) or trust in EBAY. He argued that EBAY had a certain standard of conduct in its business dealings and had policy systems in place and that it was this image which may transfer to the applicant. I reject the claim on this basis because I consider it highly improbable that a member of the relevant public, when encountering the applied for mark in relation to the applied for services would i) project an image of trustworthiness upon the applicant because of the slight similarity between the marks and, ii) be more likely to purchase from the applicant's retail services because of that projected image.

71. Reference was made to the applicant being able to benefit from the investment the opponent had made in relation to its mark and that EBAY is a powerful e-commerce website. Clearly EBAY is a powerful site in terms of its success and popularity, something which would have come to fruition on account of the promotional investments it has made. However, this, in and of itself, does not present any tangible characteristic that would transfer to the applied for mark. I note from the pleading that reference is made to prestige, but there is no real evidence showing that the opponent is known, despite its success, as being prestigious. In short, I struggle to see what aspect of EBAY's reputation will transfer to the applicant and, consequently, why the applicant would gain any form of advantage. The best that one can say is that the relevant public, when encountering the applied for mark and then bringing EBAY to mind, may assume that GIFTOBAY is an e-commerce website, as is EBAY; that may have been the full extent of what the applicant was intending, particularly with its second application. However, any real tangible benefit in this is innocuous. It is not even as if there is any evidence showing that GIFTOBAY would appear prominently in web searches for EBAY from which it could have been argued that members of the relevant public would then click upon GIFTOBAY to see what they were offering. In short, the bringing to mind results in nothing other than an intangible association which does not provide the applicant with an unfair advantage.

72. I should add that I have placed no weight on Ms Razzaq's submission that there is no evidence of any benefit. Put simply, the applicant's use has been on such a small scale that this proves nothing.

Dilution

73. During the course of the hearing, Mr Roughton referred to the concept of the word BAY as potentially being a reference to a place from which to buy goods, although he corrected himself to say that what he meant was EBAY's place from which to buy goods. Whilst I have already held that the conceptual meaning of the word BAY is to be assessed upon the basis of its dictionary and well known meanings (such as a body of water), the submission has potential force in terms of dilution. It could be argued that if BAY became common parlance to indicate an e-

commerce website from which to buy goods then this has the hypothetical capacity to reduce the distinctiveness of that word as it appears in EBAY, in other words, the word moves from being EBAY's place to buy goods to anyone's place to buy goods. When dealing specifically with dilution, Mr Roughton referred to the well-trodden example of Rolls Royce in that if others traders started using that name, its distinctiveness would be eroded over time. However, it is necessary in a dilution case to not only establish that the use of the applied for mark would be detrimental to the distinctive character of the earlier marks, but also that there has been (or a serious likelihood that there will be in the future) a change in the economic behaviour of consumers of the services covered by the EBAY marks. In *Environmental Manufacturing LLP v OHIM*, Case C383/12P, the CJEU stated that:

“37. The concept of ‘change in the economic behaviour of the average consumer’ lays down an objective condition. That change cannot be deduced solely from subjective elements such as consumers’ perceptions. The mere fact that consumers note the presence of a new sign similar to an earlier sign is not sufficient of itself to establish the existence of a detriment or a risk of detriment to the distinctive character of the earlier mark within the meaning of Article 8(5) of Regulation No 207/2009.....”

74. The use of the applied for mark is, as already observed, extremely limited. I therefore accept that the opponent would not be able to show that any actual damage has actually occurred or that there has been an actual change of behaviour of its customers. In terms of future likelihoods, I find that: i) the nature of the applied for mark and its slight similarity with the opponent's marks is unlikely to lead to any detriment *per se*, and ii) even if I am wrong on that, I see no serious likelihood of a change in the economic behaviour of the opponent's customers. My finding is that there is no detriment to distinctive character.

Tarnishing

75. In the *Cristalino* case [2015] EWCH 2760 (Ch), Mrs Justice Rose helpfully summarised the tarnishing head of damage as follows:

“89. Detriment to the repute of the mark, also referred to as 'tarnishment' or 'degradation', is caused when the goods or services for which the offending sign is used may be perceived by the public in such a way that the trade mark's power of attraction is reduced. The concept was described by Arnold J in *Red Bull v Sun Mark* [2012] EWHC 1929 (Ch) at [93] where he quoted the relevant passage from Kerly's Law of Trade Marks and Trade Names (15th ed) at para 9-131. Detrimental effect occurs where the later mark is used for goods or services which provoke a reaction of annoyance or displeasure whether through their intrinsic nature or because of the unpleasant mental association with the goods for which the earlier mark is reputed. It may also occur when the trade mark applied for is used in an unpleasant, obscene or degrading context, or in a context which is not inherently unpleasant but which process to be incompatible with the earlier mark's image. This leads to tarnishment whereby "the reputed mark ceases to convey desirable messages to the public: hence the detriment to its distinctive character".

90. No criticism is made of the quality of JGC's cava and there is no evidence as to whether it is good or bad of its kind. There is nothing inherently unpleasant or degrading about cava wine. The case law on this type of injury is less well developed than the other two types. It appears to me that it would be a step forward in the law to find that tarnishment is made out merely by using a sign on a product which is a cheaper and more ordinary than the product to which the mark is attached. I do not need to take any such step in order to decide this case and I therefore make no finding on the issue of tarnishment.”

76. I also note the decision of Ms Anna Carboni (sitting as the Appointed Person) in *Unite The Union v The Unite Group Plc* (BL O/219/13) where she stated:

“46. Indeed, having reviewed these and other opposition cases, I have not found any in which the identity or activities of the trade mark applicant have been considered in coming to a conclusion on the existence of detriment to repute of an earlier trade mark. I can understand how these matters would form part of the relevant context in an infringement case, but I have difficulty

with the notion that it should do so in an opposition. After all, many, if not most, trade mark applications are for trade marks which have not yet been used by the proprietor; some are applied for by a person or entity that intends to license them to a third party rather than use them him/itself; and others are applied for by an entity that has only just come into existence.

47. I do not exclude the possibility that, where an established trading entity applies to register a mark that it has already been using for the goods or services to be covered by the mark, in such a way that the mark and thus the trader have already acquired some associated negative reputation, perhaps for poor quality goods or services, this fact might be taken into account as relevant “context” in assessing the risk of detriment to repute of an earlier trade mark. Another scenario might be if, for example, a trade mark applicant who was a known Fascist had advertised the fact prior to the application that he was launching a new line of Nazi memorabilia under his name: I can see how that might be relevant context on which the opponent could rely if the goods and services covered by the application appeared to match the advertised activities. But I would hesitate to decide an opposition on that basis without having had confirmation from a higher tribunal that it would be correct to take such matters into account.”

77. The following is taken from the opponent’s pleading:

“There is a real risk that the manner in which the Applicant’s sign will be used, along with the way it will conduct its activities in relation to the services applied for, over which eBay will have no control, will damage eBay’s reputation....”

78. I reject the tarnishing pleading for the following reasons:

- i) There is nothing inherent in the provision of retail services that would cause any form of negative reaction.
- ii) The pleading is nothing more than a hypothetical claim.

- iii) There is no evidence to suggest that the applicant already has a negative reputation.

79. My finding is that there is no detriment to repute.

Own name defence

80. Ms Razzaq referred to the own name defence as part of her submissions, making reference to the judgment of the Court of Appeal in *Roger Maier and Assos of Switzerland v ASOS plc and ASOS.com*. Having found for the applicant, it is not really necessary to consider whether the own name defence is applicable. However, for completeness, I would make the following finding. If the opponent had succeeded in establishing a likelihood of confusion, or deception, or one of the heads of damage under section 5(3), the applicant would not be able to benefit from the own name defence for the following reasons:

- i) It was not pleaded up-front,
- ii) The own name defence is a defence against infringement (section 11(2)(a) of the Act), not a defence in deciding whether a new trade mark should be allowed on the register.

and that is even before coming to the question of whether, in circumstance where the applicant had lost, its potential use would have been in accordance with honest practices in industrial or commercial matters.

Pleading points

81. Mr Roughton's skeleton argument contained a number of minor pleading points. For example, in relation to passing-off, the applicant's defence states that it does not intend to pass off, the point being made by the opponent is that there is no dispute to deception arising. Also, under section 5(2)(b), the applicant claims that the marks have no resemblance to each other so there is unlikely to be any confusion, the point

being made by the opponent is that, therefore, if some resemblance is found then the tribunal has to choose but to find for the opponent.

82. Such points are pedantic in the extreme. It is clear that the grounds have been denied. The pleadings do not bind the tribunal in the way suggested by the opponent.

Conclusion

83. All of the grounds of opposition have failed. Subject to appeal, the application may proceed to registration.

Costs

84. The applicant has succeeded and is entitled to a contribution towards its costs. I asked for submissions at the hearing, with neither representative suggesting that I should do anything other than proceed on the basis of the published scale. Subsequent to the hearing, Ms Razzaq emailed the tribunal with a request for the applicant's travel costs to the hearing (£301.90) and a request for off-scale costs as follows:

“In addition, should the Applicants be successful, they would like to claim off the scale costs in this matter given the irrelevant nature of the bulky exhibits submitted with Ms Amber Levitt's witness evidence which the Applicant considers were irrelevant to the course of the proceedings.”

85. The opponent's representatives responded as follows:

“Both sides were given an opportunity to make submissions on costs at the hearing and neither made any. No reason has been given for why these points are being raised now. In any event, our reply is below:

- (i) Under TPN 4/2007 travel expenses can only be claimed in respect of witnesses attending for cross examination.

- (ii) The Opponent's evidence came within the 350 page limit and the Applicant has given no reason for why it considers the Exhibits to the witness statement of Amber Leavitt to be irrelevant. Extensive reference was made to the exhibits and the tribunal indicated that it had read all of the evidence."

86. I agree with the opponent on all fronts. The applicant should not be having another bite at the cherry. However, even if the submissions were considered, the scale of costs does not cover travel expenses of an attorney (or anyone else attending with that person). In terms of the exhibits, they were relevant and needed to be considered in order to assess not only the existence of a reputation, but also the nature of that reputation. I make my costs assessment on the basis of the published scale. My assessment is as follows:

Preparing a statement and considering the other side's statement - £300

Considering and filing evidence - £1000

Attending the hearing - £500

Total - £1800

87. I therefore order eBay, Inc to pay World of Fashion (MCR) Limited t/a Giftobay.com the sum of £1800. This should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 29th day of July 2016

Oliver Morris
For the Registrar,

The Comptroller-General