

**O-736-18**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 3224667  
BY SC ZUMEDIA GAMES SRL  
TO REGISTER THE FOLLOWING AS A TRADE MARK:**



**IN CLASSES 35 AND 38**

**AND**

**IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. 409906  
BY EBAY INC.**

## **Background and pleadings**

1. On 12 April 2017, SC ZuMedia Games SRL (“the applicant”) applied to register the trade mark shown below, under number 3224667 (“the contested mark”):



The application was published for opposition purposes on 28 April 2017. The specification has been subject to amendment during the course of proceedings and now reads as follows:

Class 35: Advertising; business management; business administration; office functions.

Class 38: Telecommunications.

2. The application is opposed by eBay Inc. (“the opponent”). The opposition is brought under ss. 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”).

3. Under s. 5(2)(b), the opponent now relies upon the following trade marks:<sup>1</sup>

(i) UK trade mark number 2185144 **EBAY** (“the 144 mark”)

Filing date 22 December 1998; date of entry in register 8 December 2000

Registered for services in class 35

Services relied upon: advertising services; business information and administration services (class 35)

Opposed services: all services in class 35;

(ii) UK trade mark number 2221802 **EBAY** (“the 802 mark”)

Filing date 9 February 2000; date of entry in register 3 November 2000

Registered for various services in classes 38 and 41

Services relied upon: telecommunications services (class 38)

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<sup>1</sup>Written submissions, §26.

Opposed services: all services in class 38;

(iii) European Union trade mark number 11576865 (“the stylised mark”):



The colours red, blue, yellow and green are claimed.

Filing date 15 February 2013; date of entry in register 20 August 2013

Priority date: 12 September 2012

Registered for various services in classes 9, 14, 16, 18, 20, 21, 25, 28, 30, 35, 36, 38, 41, 42 and 45

Services relied upon: Advertising; business management; business administration; office functions (class 35); Telecommunications (class 38).

Opposed services: all of the services in the application.

(iv) EUTM 12995833 (“the “bay” mark”):



The colours blue, yellow and green are claimed.

Filing date 13 June 2014; date of entry in register 30 October 2014

Registered for various services in classes 9, 35, 36 and 42.

Services relied upon: Advertising (class 35)


Opposed services: all of the services in the application.

4. The opponent claims that the mark applied for is highly similar to the opponent's marks and that the services at issue are identical or highly similar. It claims that there would be a likelihood of confusion, including the likelihood of association, which is made more likely by what it claims is the huge reputation of the opponent.

5. Under s. 5(3), the opponent directs its opposition against all of the services in the application and relies upon the following trade marks:

- (i) UK trade mark number 2185144 **EBAY** (i.e. the 144 mark). All of the services for which the mark is registered are relied upon, namely:

Class 35: Advertising services; business information and administration services; providing an online, interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network; and for the collection and dissemination of statistical, quantitative and qualitative information regarding the sale and resale of items via a global computer network; providing analyses and online distribution of statistical, quantitative and qualitative information regarding the sale and resale of items via a global computer network.

- (ii) EUTM 11576865  (i.e. the stylised mark). The opponent relies upon the following services:

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.

6. The opponent claims that its marks have a reputation in the UK such that use of the contested mark would cause the relevant public to believe that there is an economic connection between the applicant and the opponent, where no such connection exists. It claims that the applicant would gain an unfair advantage, riding on the coat-tails of the earlier marks' reputation and free-riding on the substantial investment made by the opponent, without paying any financial compensation for the attendant benefits it will receive.

7. The opponent also claims that use of the mark applied for would lead to a dispersion of the identity and hold upon the public's mind of the earlier marks, causing erosion, blurring and dilution, and leading to a change in the economic behaviour of the relevant consumer. At the relevant point in the form TM7 (section B, question 5) the opponent indicated that there was no other basis (than that the public would believe the marks were used by the same or connected undertakings) for the claim of detriment to the reputation of the earlier marks. That is not, however, consistent with its claims in the statement of grounds that there is a real risk that the reputation of the earlier marks will be tarnished because of the way in which the application is used or how the applicant may conduct its activities in relation to the services. I will return to this point in due course.

8. The opponent further claims under s. 5(4)(a) of the Act that the sign **EBAY** has been used throughout the UK since 1996. In response to the question "on which goods or services has the earlier right been used?", the opponent has responded "please see attached statement of grounds". It does not give a paragraph reference.<sup>2</sup> In the section headed "grounds under section 5(4)(a) [...]", the opponent states:

"[...] eBay has been used extensively in the United Kingdom for over a decade in connection with the Opponent's online marketplace which is provided over the internet and via software application and which includes the provision of advertising services, and there is extensive goodwill in the Opponent's eBay Marks in the United Kingdom".

9. I proceed on the basis that these are the services in relation to which the opponent claims to have a protectable goodwill. The opponent claims that use of the mark applied for would mislead the relevant public and result in damage to the opponent's goodwill.

10. The applicant filed a counterstatement denying the grounds of opposition and putting the opponent to proof of its claims.

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<sup>2</sup> A requirement of Tribunal Practice Notice ("TPN") 3/2016.

11. Given their dates of filing, all of the trade marks relied upon by the opponent qualify as earlier marks in accordance with s. 6 of the Act. In its notice of opposition, the opponent indicated that the 144 and 802 marks have been used for all of the services upon which the opponent relies. This statement is made because, as both marks had completed their registration process more than 5 years before the publication date of the application in suit, they are subject to the proof of use provisions contained in s. 6A of the Act. The applicant in its counterstatement indicated that it would require evidence of use for all of the services relied upon under these two marks. The relevant period for genuine use under ss. 5(2)(b) and 5(3) is 29 April 2012 to 28 April 2017. The opponent's remaining marks had not been registered for the required period at the publication date and the opponent may, for these marks, rely upon all of the services it has identified, without demonstrating any use.

12. Only the opponent filed evidence. It also filed written submissions during the evidence rounds. Neither party requested a hearing and neither filed written submissions in lieu of attendance. Both parties have been professionally represented throughout, the applicant by Trademarkit LLP and the opponent by CMS Cameron McKenna Nabarro Olswang LLP. This decision is taken following a careful reading of all of the papers.

### **Evidence**

13. The opponent's evidence consists of the witness statement of Amber B. Leavitt, with seventeen exhibits. I have read all of the evidence; I will summarise it only to the extent I consider necessary.

14. Ms Leavitt describes her position as Senior Director, Global Intellectual Property, for the opponent. She describes the opponent as "one of the world's leading on-line marketplaces" 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”.<sup>3</sup> The opponent is said to operate various online marketplaces around the world, including in a number of EU Member States.<sup>4</sup>

15. Ms Leavitt states that users from the UK were registered on its global site from 1996. Her evidence is inconsistent regarding the date on which the first UK users were registered on the UK-specific site, [www.ebay.co.uk](http://www.ebay.co.uk), with both July 1999 and September 1998 being claimed.<sup>5</sup> The documentary evidence indicates that the opponent’s UK website was launched in October 1999.<sup>6</sup> Ms Leavitt says that registered users can act as purchasers or vendors, and are able to access various online tools, such as bid and price monitoring, a watching service, virtual storefronts, chat rooms and discussion boards, and training tools for advertising, selling and purchasing goods.<sup>7</sup>

16. At exhibit AL-2 are prints from [www.ebay.co.uk](http://www.ebay.co.uk), taken from the WayBack Machine internet archive and dated July 2015. The word “eBay” is visible, as is the stylised mark. Various items are available for purchase (in sterling), in categories such as fashion, electronics and homewares. Ms Leavitt explains that items can be purchased via an auction or through a “buy it now” feature, akin to a traditional offer for sale at a set price.<sup>8</sup> The supporting exhibit (AL-3) is dated February 2018, i.e. after the relevant date.

17. Ms Leavitt states that the opponent has offered advertising services since 2007 and that, between 2012 and 2016, the opponent generated US\$250 million per year in the UK from advertising sales. Prints from [www.advertising.ebay.co.uk](http://www.advertising.ebay.co.uk) are provided at AL-6. Some are taken from the WayBack Machine and are dated 2016. “eBay” is used throughout. There are references to “eBay Advertising’s programmatic buying tools”, which appear to relate to automated advertising. The site claims 6 billion “advertising impressions each month” and indicates that various types of user data are available,

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<sup>3</sup> §7.

<sup>4</sup> §§9-10. See also, for example, exhibit AL 12, pp. 4-5, 7, 12.

<sup>5</sup> §8; §18.

<sup>6</sup> AL-12, p2.

<sup>7</sup> §12.

<sup>8</sup> §13.

including behavioural, contextual and demographic information.<sup>9</sup> Access to premium advertisement formats and bespoke responses to briefs are mentioned.<sup>10</sup> Further, the prints describe an advertising campaign run in partnership with the Co-operative Electrical, with certain promotions coinciding with television shows.<sup>11</sup> A partnership between eBay and MoneySuperMarket is mentioned, in which eBay is described as having “market leading targeting capabilities”.<sup>12</sup> It also appears that BMW and O2 have used eBay as a vehicle for showing their adverts, including the use of the targeting described above.<sup>13</sup> A marketing manager for BMW provides a quotation for the web page, in which he refers to “a package of highly effective point of purchase advertising that has driven both brand engagement and incremental sales to our business”. The remaining pages are all dated 2018, i.e. after the relevant date.

18. Prints from the opponent’s website are exhibited which show, within the relevant period, both the word “eBay” and the stylised mark.<sup>14</sup> These pages show various tools for sellers and for businesses, including a listings tool, “Selling Manager” and “Selling Manager Pro”, tools for managing orders, tracking sales and brand management, and data about business/sales performance. In addition, there are frequently asked questions pages, as well as seller centre pages, which include links to business seller news as well as information about, for example, how to sell an item, postage and delivery, and how to contact buyers and sellers; I note that the recommendation for the latter is to use “eBay Messages” (February 2017) and that automated emails are available.<sup>15</sup> Whilst the remaining prints in AL-7 and AL-8 are dated 2018, Ms Leavitt states that the services have been offered since January 2001 and August 2003, respectively.<sup>16</sup>

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<sup>9</sup> AL-6, pp. 22-23

<sup>10</sup> AL-6, p. 23.

<sup>11</sup> AL-6, p. 24.

<sup>12</sup> AL-6, p. 26.

<sup>13</sup> AL-6, pp. 28-30.

<sup>14</sup> AL-7, pp. 21-32; AL-8, pp. 21-31.

<sup>15</sup> AL-7 pp. 30-31.

<sup>16</sup> §§26, 28.



19. There are further prints of the opponent's website at AL-9. Those within the relevant period show the word "eBay" and the stylised mark.<sup>17</sup> They show message boards for sellers of various types and for users of specific devices, as well as an 'answer centre'. Discussion topics vary from international selling to how to upload photos using particular applications. The remaining pages in AL-9 are dated after the relevant date but are largely duplicative of the information provided from the relevant period. There are pages which refer to eBay Radio, all dated 2018.<sup>18</sup> The sites from which they derive are community.ebay.com and player.listenlive.co. Live listening times are given in "PT". Ms Leavitt claims that the services were available from 1999.<sup>19</sup>

20. Ms Leavitt states that merchandise figures for goods advertised and sold on eBay in the UK were in excess of US\$70 billion between 2012 and 2016, with goods worth over US\$12 billion being sold in 2016 alone.<sup>20</sup> Ms Leavitt states that, in 2016, there were nearly 500 million transactions in the UK through "the website" and almost 25 million users.<sup>21</sup> 4 billion page views are said to have been generated in the UK in 2015.<sup>22</sup> The opponent's website is said to have been the seventh most visited website in the UK in January 2016, and ninth in February 2018.<sup>23</sup> Ms Leavitt states that UK advertising spend was over US\$150 million in 2016.<sup>24</sup>

21. A number of press articles are exhibited at AL-12 and AL-13. They are dated between 1999 and 2016, from a range of sources including national newspapers. Most of the articles concern the UK and continental Europe. "eBay" is referenced throughout, often without further explanation. The articles focus on the buying and selling features of eBay, whether through its online auction facility or 'buy it now' and marketplace offerings. An article dated 2012 indicates that "eBay has increasingly moved to focus on new goods rather than on its traditional collectables market"; by August 2014, fixed

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<sup>17</sup> pp. 20-28.

<sup>18</sup> AL-9, pp. 17-19

<sup>19</sup> §30.

<sup>20</sup> §32.

<sup>21</sup> §33.

<sup>22</sup> *Ibid.*

<sup>23</sup> §34 and AL-10.

<sup>24</sup> §37.

prices sales made up 75% of listings (AL-12, pp. 71, 76). A number of the articles stress eBay's dominance (e.g. the "biggest online auction" (AL-12, p. 48), the "biggest car boot sale on earth" (AL-12, p. 82)). It appears that both large and small businesses have a presence on the site (for example, Argos and Schuh are mentioned in a 2009 article)<sup>25</sup> and a number of success stories are recounted.<sup>26</sup> On several occasions the ease of use and safeness of the site are noted, as well as its efforts to eradicate fakes, not all of which appear to be popular with sellers.<sup>27</sup> One article from the *Telegraph* dated February 2012 puts the number of businesses trading on eBay at 180,000, up from 120,000 in 2009.<sup>28</sup> Another dated 2014 reports a claim that 19 million Britons visit eBay each month.<sup>29</sup> There are several references to the listings fees (e.g. AL-12, pp. 58-59). An article from 2001 indicates that "eBay will supply Autostrat.it with its technological solutions and services, necessary for on-line auction",<sup>30</sup> and another article discusses a breakdown of customer spending habits released by eBay in December 2016.<sup>31</sup>

22. Global brand rankings are provided.<sup>32</sup> There is, however, no territorial breakdown.

23. A number of previous decisions involving the opponent are referenced at AL-16. I will bear these in mind.

24. There are also prints from the applicant's website, ukbay.com, showing the applied-for mark.<sup>33</sup> There are various categories (including "auto & motors", "property" and "adult") and an invitation to the viewer to "Post Your Ad Now!". The prints are dated 15 February 2018.

25. That concludes my summary of the evidence, to the extent I consider necessary.

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<sup>25</sup> AL-12, p. 64.

<sup>26</sup> See, for example, AL-13, p. 26.

<sup>27</sup> AL-12, p. 73-74, 75, 78, 81, 82, AL-13, p. 27.

<sup>28</sup> AL-12, 71.

<sup>29</sup> AL-12, p. 81.

<sup>30</sup> AL-12, p. 19.

<sup>31</sup> AL-13, p. 7.

<sup>32</sup> AL-14, AL-15.

<sup>33</sup> AL-17.

## **Proof of use**

26. The relevant statutory provisions are as follows:

“Raising of relative grounds in opposition proceedings in case of non-use

6A- (1) This section applies where -

(a) an application for registration of a trade mark has been published,

(b) there is an earlier trade mark of a kind falling within section 6(1)(a), (b) or (ba) in relation to which the conditions set out in section 5(1), (2) or (3) obtain, and

(c) the registration procedure for the earlier trade mark was completed before the start of the period of five years ending with the date of publication.

(2) In opposition proceedings, the registrar shall not refuse to register the trade mark by reason of the earlier trade mark unless the use conditions are met.

(3) The use conditions are met if –

(a) within the period of five years ending with the date of publication of the application the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or

(b) the earlier trade mark has not been so used, but there are proper reasons for non- use.

(4) For these purposes -

(a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and

(b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(5) In relation to a Community trade mark or international trade mark (EC), any reference in subsection (3) or (4) to the United Kingdom shall be construed as a reference to the European Community.

(6) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services”.

27. Section 100 of the Act is also relevant, which reads:

“100. If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it”.

28. When considering whether genuine use has been shown, I must apply the same factors as if I were determining an application for revocation based on grounds of non-use. What constitutes genuine use has been subject to a number of judgments. In *The London Taxi Corporation Limited v Frazer-Nash Research Limited & Ecotive Limited*, [2016] EWHC 52, Arnold J summarised the case law on genuine use of trade marks. He said:

“219. I would now summarise the principles for the assessment of whether there has been genuine use of a trade mark established by the case law of the Court of Justice, which also includes Case C-442/07 *Verein Radetsky-Order v Bunderversvereinigung Kamaradschaft 'Feldmarschall Radetsky'* [2008] ECR I-9223 and Case C-609/11 *Centrotherm Systemtechnik GmbH v Centrotherm Clean Solutions GmbH & Co KG* [EU:C:2013:592], [2014] ETMR 7, as follows:

(1) Genuine use means actual use of the trade mark by the proprietor or by a third party with authority to use the mark: *Ansul* at [35] and [37].

(2) The use must be more than merely token, that is to say, serving solely to preserve the rights conferred by the registration of the mark: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Centrotherm* at [71]; *Leno* at [29].

(3) The use must be consistent with the essential function of a trade mark, which is to guarantee the identity of the origin of the goods or services to the consumer or end user by enabling him to distinguish the goods or services from others which have another origin: *Ansul* at [36]; *Sunrider* at [70]; *Verein* at [13]; *Silberquelle* at [17]; *Centrotherm* at [71]; *Leno* at [29].

(4) Use of the mark must relate to goods or services which are already marketed or which are about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns: *Ansul* at [37]. Internal use by the proprietor does not suffice: *Ansul* at [37]; *Verein* at [14]. Nor does the distribution of promotional items as a reward for the purchase of other goods and to encourage the sale of the latter: *Silberquelle* at [20]-[21]. But use by a non-profit making association can constitute genuine use: *Verein* at [16]-[23].

(5) The use must be by way of real commercial exploitation of the mark on the market for the relevant goods or services, that is to say, use in accordance with the commercial *raison d'être* of the mark, which is to create or preserve an outlet for the goods or services that bear the mark: *Ansul* at [37]-[38]; *Verein* at [14]; *Silberquelle* at [18]; *Centrotherm* at [71].

(6) All the relevant facts and circumstances must be taken into account in determining whether there is real commercial exploitation of the mark, including: (a) whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market for the goods and services in question; (b) the nature of the goods or services; (c) the characteristics of the market concerned; (d) the scale and frequency of use of the mark; (e) whether the mark is used for the purpose of marketing all the goods and services covered by the mark or just some of them; (f) the evidence that the proprietor is able to provide; and (g) the territorial extent of the use: *Ansul* at [38] and [39]; *La Mer* at [22]-[23]; *Sunrider* at [70]-[71], [76]; *Centrotherm* at [72]-[76]; *Reber* at [29], [32]-[34]; *Leno* at [29]-[30], [56].

(7) Use of the mark need not always be quantitatively significant for it to be deemed genuine. Even minimal use may qualify as genuine use if it is deemed to be justified in the economic sector concerned for the purpose of creating or preserving market share for the relevant goods or services. For example, use of the mark by a single client which imports the relevant goods can be sufficient to demonstrate that such use is genuine, if it appears that the import operation has a genuine commercial justification for the proprietor. Thus there is no *de minimis* rule: *Ansul* at [39]; *La Mer* at [21], [24] and [25]; *Sunrider* at [72]; *Leno* at [55].

(8) It is not the case that every proven commercial use of the mark may automatically be deemed to constitute genuine use: *Reber* at [32]”.

29. In *Awareness Limited v Plymouth City Council*, Case BL O/236/13, Daniel Alexander Q.C., sitting as the Appointed Person, stated that:

“22. The burden lies on the registered proprietor to prove use [...]. However, it is not strictly necessary to exhibit any particular kind of documentation, but if it is likely that such material would exist and little or none is provided, a tribunal will be justified in rejecting the evidence as insufficiently solid. That is all the more so since the nature and extent of use is likely to be particularly well known to the proprietor itself. A tribunal is entitled to be sceptical of a case of use if, notwithstanding the ease with which it could have been convincingly demonstrated, the material actually provided is inconclusive. By the time the tribunal (which in many cases will be the Hearing Officer in the first instance) comes to take its final decision, the evidence must be sufficiently solid and specific to enable the evaluation of the scope of protection to which the proprietor is legitimately entitled to be properly and fairly undertaken, having regard to the interests of the proprietor, the opponent and, it should be said, the public”

and further:

“28. [...] I can understand the rationale for the evidence being as it was but suggest that, for the future, if a broad class, such as “tuition services”, is sought to be defended on the basis of narrow use within the category (such as for classes of a particular kind) the evidence should not state that the mark has been used in relation to “tuition services” even by compendious reference to the trade mark specification. The evidence should make it clear, with precision, what specific use there has been and explain why, if the use has only been narrow, why a broader category is nonetheless appropriate for the specification. Broad statements purporting to verify use over a wide range by reference to the wording of a trade mark specification when supportable only in respect of a much narrower range should be critically considered in any draft evidence proposed to be submitted”.

30. In *Dosenbach-Ochsner Ag Schuhe Und Sport v Continental Shelf 128 Ltd*, BL O/404/13, Geoffrey Hobbs Q.C., sitting as the Appointed Person, stated that:

“21. The assessment of a witness statement for probative value necessarily focuses upon its sufficiency for the purpose of satisfying the decision taker with regard to whatever it is that falls to be determined, on the balance of probabilities, in the particular context of the case at hand. As Mann J. observed in *Matsushita Electric Industrial Co. v. Comptroller- General of Patents* [2008] EWHC 2071 (Pat); [2008] R.P.C. 35:

[24] As I have said, the act of being satisfied is a matter of judgment. Forming a judgment requires the weighing of evidence and other factors. The evidence required in any particular case where satisfaction is required depends on the nature of the inquiry and the nature and purpose of the decision which is to be made. For example, where a tribunal has to be satisfied as to the age of a person, it may sometimes be sufficient for that person to assert in a form or otherwise what his or her age is, or what their date of birth is; in others, more formal proof in the form of, for example, a birth certificate will be required. It all depends who is asking the question, why they are asking the question, and what is going to be done with the answer when it is given. There can be no universal rule as to what level of evidence has to be provided in order to satisfy a decision-making body about that of which that body has to be satisfied.

22. When it comes to proof of use for the purpose of determining the extent (if any) to which the protection conferred by registration of a trade mark can legitimately be maintained, the decision taker must form a view as to what the evidence does and just as importantly what it does not ‘*show*’ (per Section 100 of the Act) with regard to the actuality of use in relation to goods or services covered by the registration. The evidence in question can



properly be assessed for sufficiency (or the lack of it) by reference to the specificity (or lack of it) with which it addresses the actuality of use”.

31. On the issue of a fair specification, in *Euro Gida Sanayi Ve Ticaret Limited v Gima (UK) Limited*, BL O/345/10, Geoffrey Hobbs Q.C., sitting as the Appointed Person, summed up the law as being:

“In the present state of the law, fair protection is to be achieved by identifying and defining not the particular examples of goods or services for which there has been genuine use but the particular categories of goods or services they should realistically be taken to exemplify. For that purpose the terminology of the resulting specification should accord with the perceptions of the average consumer of the goods or services concerned”.

32. In *Property Renaissance Ltd (t/a Titanic Spa) v Stanley Dock Hotel Ltd (t/a Titanic Hotel Liverpool) & Ors* [2016] EWHC 3103 (Ch), Carr J summed up the law relating to partial revocation as follows.

“iii) Where the trade mark proprietor has made genuine use of the mark in respect of some goods or services covered by the general wording of the specification, and not others, it is necessary for the court to arrive at a fair specification in the circumstance, which may require amendment; *Thomas Pink Ltd v Victoria's Secret UK Ltd* [2014] EWHC 2631 (Ch) (“Thomas Pink”) at [52].

iv) In cases of partial revocation, pursuant to section 46(5) of the Trade Marks Act 1994, the question is how would the average consumer fairly describe the services in relation to which the trade mark has been used; *Thomas Pink* at [53].

v) It is not the task of the court to describe the use made by the trade mark proprietor in the narrowest possible terms unless that is what the average consumer would do. For example, in *Pan World Brands v Tripp Ltd* (Extreme Trade Mark) [2008] RPC 2 it was held that use in relation to holdalls justified a registration for luggage generally; *Thomas Pink* at [53].

vi) A trade mark proprietor should not be allowed to monopolise the use of a trade mark in relation to a general category of goods or services simply because he has used it in relation to a few. Conversely, a proprietor cannot reasonably be expected to use a mark in relation to all possible variations of the particular goods or services covered by the registration. *Maier v Asos Plc* [2015] EWCA Civ 220 ("Asos") at [56] and [60].

vii) In some cases, it may be possible to identify subcategories of goods or services within a general term which are capable of being viewed independently. In such cases, use in relation to only one subcategory will not constitute use in relation to all other subcategories. On the other hand, protection must not be cut down to those precise goods or services in relation to which the mark has been used. This would be to strip the proprietor of protection for all goods or services which the average consumer would consider to belong to the same group or category as those for which the mark has been used and which are not in substance different from them; *Mundipharma AG v OHIM* (Case T-256/04) ECR II-449; EU:T:2007:46".

33. The proof of use provisions apply to the following marks and specifications:

The 144 mark	Advertising services; business information and administration services; providing an online, interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network; and for the collection and dissemination of statistical, quantitative and qualitative information regarding
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the sale and resale of items via a global computer network;  
providing analyses and online distribution of statistical,  
quantitative and qualitative information regarding the sale and  
resale of items via a global computer network.

The 802 mark      Telecommunications services.

34. Although much of the use shown in the relevant period is of the stylised mark, there is also evidence of plain word use in the form “eBay”. The use in a mixture of upper and lower case falls within the scope of fair and notional use of the mark. That is particularly the case as the known word “BAY” is likely to be noted within the marks as registered, with the result that the use of a capital letter “B” does not alter the marks’ distinctive character.<sup>34</sup>

35. It is clear from the evidence that the opponent operates a very successful online platform which enables users to post advertisements and buy and sell goods, and that it has done so for a number of years. I can see no reason why the provision of a service which allows users to post adverts would not properly be described as a classified advertising service, covered by the opponent’s “advertising”. There is also evidence that the opponent has, under its earlier mark, offered advertising tools and data about its users (and their habits) to business customers, as well as having participated in joint advertising initiatives with large companies, which include the strategic display of advertisements on the opponent’s website. Ms Leavitt gives unchallenged evidence of advertising revenue which, whilst not broken down, is significant. In addition, there is evidence that part of the opponent’s offering to sellers includes the tracking of sales and data about their business/sales performance. Although the evidence regarding the precise services offered is not particularly detailed, I am satisfied that the 144 mark has been used on or in relation to “advertising services; business information services; providing an online, interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network; and for the collection and dissemination of

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<sup>34</sup> S. 6(A)(4)(a) and *Nirvana Trade Mark*, BL O/262/06 at [33]-[34].

statistical, quantitative and qualitative information regarding the sale and resale of items via a global computer network; providing analyses and online distribution of statistical, quantitative and qualitative information regarding the sale and resale of items via a global computer network". I acknowledge that "bulletin board" in isolation would ordinarily be construed as proper to class 38 but, taken in the context of the specification as a whole, the words clearly mean a place on which goods can be posted and from which they can be purchased over the internet. That is clearly what the opponent meant to cover when the mark was applied for in 1998 and I think I should be slow to find that eBay and its advisors were unable to describe its core services.

36. As far as business administration services are concerned, the opponent points towards the various tools, such as listing tools, as well as sales information, a payments intermediation service, a labelling service and a "store service" which it offers to its users.<sup>35</sup> I do not consider that the opponent has shown that it provides business administration services. I accept that the opponent provides various tools to help its users with administration. However, the provision of a tool is not the same as providing an administration service. By way of example, evidence of a listings tool only shows that the opponent is providing its users with software to make it easier for them to list items, not that the opponent is in any way providing a listing service. A labelling service would be included within business administration services. However, the only evidence of this service is Ms Leavitt's narrative evidence and a print dated 2018.<sup>36</sup> Although Ms Leavitt states that "these services" have been provided since 2003, the services to which she is referring are not clearly indicated.<sup>37</sup> There is evidence, after the relevant date, of a "solutions directory" but it does not show which, if any, of these services are offered by the opponent under the earlier mark, or were so offered at the relevant time.<sup>38</sup> The evidence from within the relevant period of such services is conspicuous by its absence. If the opponent was indeed providing labelling or any other administration services in the relevant period, it would have been straightforward to show it. I am not satisfied that

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<sup>35</sup> Leavitt, §§27-28.

<sup>36</sup> AL-8, p. 5

<sup>37</sup> Leavitt, §28.

<sup>38</sup> AL-8, p. 20.

the opponent has shown use of its mark on or in relation to any business administration services.

37. There is some, albeit rather limited, evidence that the opponent offered a messaging service, as well as an automated email facility. There is also evidence that the opponent offered, in the relevant period, online discussion boards. The opponent claims use in relation to radio services. Ms Leavitt makes no claim that the use has been in or directed towards the UK and the documentary evidence is inadequate to establish such use: all the indications are that this is a service available on the global/US site, rather than the UK site, and none of the documents is dated before the relevant date. I do not consider that the evidence provided of radio services is sufficient to constitute genuine use. The single reference to eBay providing technological solutions to a third party is too vague to assist. Again, if the opponent had in fact used its mark on such services, it ought to have been a relatively simple matter for it to show it. In terms of a fair specification regarding the services in class 38, and whilst I acknowledge that there has been use in more than one subcategory, I am of the view that it would be disproportionate for the opponent to be permitted to rely upon telecommunications services at large, given the very broad range of services which are covered by that term and the fairly narrow use which has been shown.

38. Bearing all of the above in mind, I consider that a fair specification upon which the opponent may rely is:

The 144 mark	Advertising services; business information services; providing an online, interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network; and for the collection and dissemination of statistical, quantitative and qualitative information regarding the sale and resale of items via a global computer network; providing analyses and online distribution of statistical, quantitative and qualitative information regarding the sale and resale of items via a global computer network.
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The 802 mark            Computer communication services.

### **Section 5(2)(b)**

39. Section 5(2)(b) of the Act reads as follows:

“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”.

40. The following principles are gleaned from the decisions 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 great 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 average consumer and the nature of the purchasing act**

41. It is necessary for me to determine who the average consumer is for the respective parties' services. I must then decide the manner in which these services are likely to be selected by the average consumer in the course of trade. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purposes 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 services in question: *Lloyd Schuhfabrik*.

42. 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”.

43. The parties have not identified the average consumer for the services at issue. Advertising services may be used by both members of the general public and by



business consumers; the same applies to telecommunications services. The business management/administration and office functions services in class 35 are likely to be purchased by business users.

44. The services are likely to be selected through primarily visual means, for example via websites, catalogues and printed advertising material. However, as such services may be discussed or benefit from, for example, oral recommendations, the aural component to the purchase remains important and will be borne in mind. All of the services will be chosen with at least an average level of attention, as the consumer will wish to ensure, for example, the precise offering available or the reliability of a particular service provider. For business users, however, the services are likely to be selected with a reasonably high level of attention, given that the reputation, image, or commercial success of a business could be affected by the effectiveness of the service.

### **Comparison of services**

45. The opponent claims that “it is common ground that there is identity of services”.<sup>39</sup> This appears to be on the basis that the applicant does not explicitly address whether the services are similar in its counterstatement. Bearing in mind the applicant’s categorical denial at paragraph 1 of its counterstatement of each and every claim made by the opponent, I consider that it would be a perverse reading of the counterstatement as a whole if I were to draw the inference suggested by the opponent. Whether there is any similarity between the respective services must, therefore, be determined.

46. When making the comparison, all relevant factors relating to the services in the specification should be taken into account. In *Canon*, the Court of Justice of the European Union (“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

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<sup>39</sup> Submissions, §29.

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”.

47. Guidance on this issue has also come from Jacob J. (as he then was) *British Sugar Plc v James Robertson & Sons Ltd* (the *Treat* case), [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- (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.

48. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the General Court (“GC”) stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut fur Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark”.

49. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v Office for Harmonization in the Internal Market (Trade Marks and Designs) (OHIM)*, Case T-325/06, the GC stated that “complementary” means:

“[...] 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”.

50. I also bear in mind the comments of Daniel Alexander Q.C., sitting as the Appointed Person, in *Sandra Amelia Mary Elliot v LRC Holdings Limited*, BL O/255/13, where he warned against applying too rigid a test when considering complementarity:

“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”.

51. The services to be compared under this ground, taking into account my findings on proof of use, are:

<b>Contested specification</b>	<b>144 mark</b>	<b>802 mark</b>	<b>Stylised mark</b>	<b>“Bay” mark</b>
Advertising; business management; business administration; office functions.  <u>Class 38:</u> Telecommunications	Advertising services; business information services	Computer communication services	Advertising; business management; business administration; office functions (class 35); Telecommunications.	Advertising

Advertising

52. All of the marks relied upon against class 35 (i.e. the 144, stylised and “bay” marks) contain the term “advertising” or “advertising services”. The services are self-evidently identical.

Business management; business administration

53. The stylised mark contains the above terms. These services are identical.

54. Insofar as the 144 mark is concerned, the opponent may rely upon “business information services”, which is, in my view, the closest term in its specification to the applicant’s services. The purpose and nature of these services differ from those of the applicant’s services. However, their users may overlap (a superficial point of similarity), as may their channels of trade. It is unlikely that the services would be in direct

competition but there may be complementarity, as business information is crucial to the management or administration of a business and the relevant public may assume that the respective services are provided by the same undertaking. There is a medium degree of similarity between these services.

55. As regards the advertising services covered by the “bay” mark, the purpose of an advertising service is to promote the goods or services of a particular third party. The purpose of a business management or administration service is to organise or supervise the way in which a business functions which is, at its core, a different purpose from that of advertising services. The nature and method of use of the services are unlikely to overlap but their users will intersect. Channels of trade are not likely to coincide and the services are neither in competition, nor complementary as defined in the case law. There is no meaningful similarity between these services.

#### Office functions

56. These services are plainly identical to the “office functions” covered by the stylised mark.

57. They are similar to a low degree to the “business information services” of the 144 mark. The services are different in nature and purpose but have the same users and may share channels of trade. There is no real competition, and no complementarity.

58. I can see no meaningful similarity between these services and the advertising services covered by the earlier marks. The services differ in nature and purpose, and whilst the users will overlap the services are unlikely to share channels of trade. They are not in competition, nor are they complementary.

## Telecommunications

59. The stylised mark is registered for identical telecommunications services. The 802 mark may be relied upon for computer communication services, which are encompassed by the wider “telecommunications” in the applied-for specification. These services are identical on the principle outlined in *Meric*.

60. I can see no meaningful similarity between the applicant’s telecommunications services and any of the remaining terms in the specifications relied upon by the opponent. Any overlap in users is too general to create similarity of itself and there is no similarity in nature, purpose or method of use. The services are not in competition and there is no complementarity.

### **Comparison of trade marks**

61. It is clear from *Sabel* (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 *Bimbo*, 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”.

62. It would be wrong, therefore, artificially to dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks.

Due weight must be given to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:

Earlier marks (all)	Contested mark
<p>(i) EBAY</p> <p>(ii) </p> <p>(iii) </p>	

63. The opponent makes various submissions regarding the respective marks. It submits that, were the earlier word marks used in two colours, namely red (“E”) and black (“BAY”), they would have an extremely high level of similarity with the contested mark. It argues that the consumer will focus on the “BAY” elements of all of the marks. The opponent also appears to suggest that the assessment should not be made on the basis that consumers perceive marks as wholes.<sup>40</sup> That is plainly wrong in law. However, it is true that certain elements may be more dominant than others in the overall impression.

64. For its part, the applicant stresses the different prefixes to the mark, arguing that consumers usually pay more attention to the beginnings of marks and claiming that there are visual, aural and conceptual differences between the respective marks.

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<sup>40</sup> Submissions, §7.

65. The contested mark comprises a device element and the string “UKBAY”. The device consists of concentric circles in the order red, black, white and red. The black circle has a line towards the bottom right. “UKBAY”, presented in capitals and in a bold font, is placed to the right of the device, with the abbreviation “UK” in red and “BAY” in black. I consider that the overall impression is dominated by the verbal element. Of the two verbal components, “BAY” is clearly the most distinctive, as “UK” will be perceived by the average UK consumer as indicating a geographical location. The device is not particularly distinctive and plays a lesser role to that of the verbal element but it remains a noticeable component in the overall impression.

(i)  v EBAY

66. The 144 and 802 marks both consist of the plain word “EBAY”. There are no other elements to contribute to the overall impression, which rests in the word as a whole.

67. There are clearly visual differences stemming from the presence of a device in the later mark and the different beginnings of the verbal elements, respectively “UK” and “E”. However, both marks end in in the letters “B-A-Y”, which is a point of similarity. I take the applicant’s point that differences at the beginning of marks are often of particular significance, though that is less relevant where the beginnings of marks have weaker distinctiveness than the later part.<sup>41</sup> I consider that the marks are visually similar to a medium degree. I am not persuaded that, were the earlier mark used in the colour scheme posited by the opponent, such use would materially increase the level of visual similarity between the marks.

68. The device element in the contested mark will not be articulated. The word element is likely to be verbalised, as the abbreviation “UK” followed by the word “BAY”, making three syllables. The whole of the earlier mark will also be articulated, as a two-syllable combination of the letter “E” followed by the word “BAY”. Given the common presence

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<sup>41</sup> See, for example, *CureVac GmbH v OHIM*, T-80/08.



of “BAY” but bearing in mind the differences at the beginning of the marks, I consider that there is a medium degree of aural similarity.

69. I indicated, above, that the earlier marks will be perceived as a single word. I do not accept that the word “BAY” has an independent role in the *Medion* sense, though I accept that the known word “BAY” is likely to be recognised as a component of both marks by the average consumer. It seems likely that the letter “E” at the beginning of the earlier mark is likely to be perceived as indicating “electronic” in respect of those services which are provided online. “BAY” has several meanings but whichever is ascribed to one mark is likely to be ascribed to the other. Therefore, a word which has the same meaning is present in both marks, but there are other elements with different meanings in the marks, and the word “EBAY” as a whole has no meaning. In *Usinor SA v OHIM*, Case T-189/05, the GC found that:

“62. In the third place, as regards the conceptual comparison, it must be noted that while the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details (*Lloyd Schuhfabrik Meyer*, paragraph 25), he will nevertheless, perceiving a verbal sign, break it down into verbal elements which, for him, suggest a concrete meaning or which resemble words known to him (Case T-356/02 *Vitakraft-Werke Wührmann v OHIM – Krafft (VITAKRAFT)* [2004] ECR II-3445, paragraph 51, and Case T-256/04 *Mundipharma v OHIM – Altana Pharma (RESPICUR)* [2007] ECR II-0000, paragraph 57)”.

70. Having considered the conceptual similarity I have identified, along with the conceptual differences, and keeping in mind their relative weight in the overall impressions of the marks, I find that there is an immediately noticeable level of conceptual similarity between the respective marks when compared as wholes.



71. The opponent's mark consists of the word "ebay", presented in lower case, in an unremarkable typeface, with each of the letters in a different colour. I consider that the mark is dominated by the verbal element "ebay". The colouring of the letters is unusual and also makes a contribution to the overall impression, albeit secondary to that of the word.

72. My comments, above, regarding the visual similarities and differences between the contested mark and the opponent's word marks are equally applicable here but there is an additional difference because of the distinctive stylisation of the words "ebay" in the earlier mark. Overall, there is a fairly low degree of visual similarity between these marks. As the particular presentation of the opponent's mark will have no effect on its pronunciation, the aural considerations are the same as above and the marks are aurally similar to a medium degree. Similarly, the use of different colours in the earlier mark does not introduce a different concept and the position is as set out at paragraphs 69 and 70, above.



73. The opponent's mark consists of the word "bay", in lower case and in a very slightly stylised typeface. Each of the three letters is presented in a different colour. The overall impression is dominated by the word "bay" but the distinctive colouring also plays a role.

74. There are visual differences between the marks due to the presence in the contested mark of a device and the abbreviation "UK", as well as the respective colour schemes. However, they both share the word "BAY"/"bay", which is the only verbal

element of the earlier mark and its dominant component. There is a fairly high degree of visual similarity.

75. Aurally, there is a difference because the contested mark contains an additional two syllables (“UK”). Both marks share the identical word “bay”. There is a fairly high degree of aural similarity.

76. Turning to the conceptual position, both marks share the same concept of a “bay”, whichever of its multiple meanings is given to that word. The concept of the UK, in the contested mark, is not distinctive. As I have already said, the device adds no additional concept. The marks are conceptually similar to a high degree.

### **Distinctive character of the earlier trade marks**

77. The distinctive character of a trade mark can be appraised only, first, by reference to the services in respect of which registration is sought and, secondly, by reference to the way it is perceived by the relevant public – *Rewe Zentral AG v OHIM (LITE)* [2002] ETMR 91. In determining the distinctive character of a trade mark and, accordingly, in assessing whether it is highly distinctive, it is necessary to make an overall assessment of the greater or lesser capacity of the trade mark to identify the services for which it has been registered as coming from a particular undertaking and thus to distinguish those services from those of other undertakings - *Windsurfing Chiemsee v Huber and Attenberger* Joined Cases C-108/97 and C-109/97 [1999] ETMR 585. In *Lloyd Schuhfabrik*, 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-2779, 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)".

78. "EBAY", whether stylised or in word-only form, is an invented word with an inherently high level of distinctive character. The evidence shows that the mark has been used extensively. The evidence of advertising turnover is very large and sustained over a period of years. There are no market share figures but there is some evidence which shows partnerships with major enterprises in the UK and, even in a large market, the revenue generated must be considered significant. The earlier "EBAY" marks enjoy an enhanced distinctive character in relation to advertising services but the evidence does not establish an enhanced distinctive character in relation to the other services relied upon. Given the already high level of inherent distinctiveness, the opponent's position could not have been materially improved in any event.

79. As far as the "bay" mark is concerned, there is no evidence of the mark in use and I therefore only have the inherent position to consider. The word "bay" has no connection with the services at issue and is, in my view, averagely distinctive.

## Likelihood of confusion

80. There is no simple formula for determining whether there is a likelihood of confusion. The factors considered above have a degree of interdependency (*Canon* at [17]). I must make a global assessment of the competing factors (*Sabel* at [22]), considering the various factors from the perspective of the average consumer and deciding whether the average consumer is likely to be confused. In making my assessment, I must keep in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely upon the imperfect picture of them he has retained in his mind (*Lloyd Schuhfabrik* at [26]).

81. Confusion can be direct or indirect. Direct confusion involves the average consumer mistaking one mark for the other. The concept of indirect confusion was explained by Iain Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 as follows:

“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”.

82. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, James Mellor Q.C., sitting as the Appointed Person, stressed that a finding of indirect confusion should not

be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

83. The consumer will be either a member of the public or a businessperson. I remind myself that all of the services at issue will be selected through primarily but not exclusively visual means with at least an average level of attention and, in the case of business consumers, a reasonably high level of attention.

84. I will begin by considering the opponent's strongest case, namely the opposition based on the "bay" mark. The only services at issue are the identical advertising services, as if there is no similarity there can be no confusion.<sup>42</sup> The marks are visually and aurally similar to a fairly high degree and have a high degree of conceptual similarity. The earlier mark is averagely distinctive. In my view, given the stylisation in the respective marks and the presence of the device and "UK" in the contested mark, there is no real likelihood of direct confusion, even allowing for the effects of imperfect recollection. However, I consider that there is a likelihood of indirect confusion. Whilst the device and use of colour are not common to both marks, these are insufficiently pronounced, when the high level of conceptual similarity is taken into account, to lead the consumer to believe that the services are provided by distinct undertakings. The "UK" element of the later mark simply indicates the likely focus of the business. Even where the services are selected with a reasonably high level of attention, the consumer is likely to believe the two marks to be variant marks used by the same or economically connected undertakings. There is a likelihood of confusion.

85. I now consider the position in respect of the identical services under the 144 and 802 marks. These marks are highly distinctive. The opponent submits that "[the] connection between "UKBAY" and "EBAY" will jump out at consumers and cause confusion in their minds as to whether the Applicant's services are provided by the

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<sup>42</sup> *Waterford Wedgwood plc v OHIM*, Case C-398/07 P.

Opponent or by an entity which is part of or connected to the Opponent”.<sup>43</sup> Taking account of the visual and aural differences between the marks, as well as the highly distinctive character of the earlier marks, I find that there is no likelihood of direct confusion. The differences are sufficient, even when the effects of imperfect recollection are borne in mind, to preclude one mark being mistaken for the other.

86. The real issue in this case is whether there is a likelihood of indirect confusion. I accept that there are some similarities between the marks, particularly a concept common to both. However, the contested mark does not contain the earlier, highly distinctive EBAY marks. Rather, it contains the word “BAY”. The opponent’s case is, therefore, heavily dependent on the average consumer recognising the common “BAY” element of the marks and believing that the contested mark is a variation or brand extension of the earlier EBAY marks. I am not persuaded that this is the case. The similarities between the marks are not sufficient to outweigh the differences and cause the consumer to be confused, even considering the high level of distinctive character of the earlier marks and when only an average level of attention is displayed in the purchasing process. Whilst the earlier mark may be brought to mind, it is clear from the case law that mere association does not constitute confusion. I do not consider that there is an obvious logical step which would lead the consumer to believe that these are different marks being used by the same or connected undertakings and there is no evidence of a family of marks which might make such a step more likely. There is no confusion. It follows that, if there is no confusion in respect of identical services, there is also no likelihood of confusion in respect of services which are similar to a lesser degree. It further follows that, if there is no confusion between the 144 and 802 marks and the application, there is also no likelihood of confusion between the stylised mark and the application, as there is a lesser degree of similarity between the marks.

87. Accordingly, the opposition succeeds against “advertising” in class 35. It fails against all of the remaining services.

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<sup>43</sup> Submissions, §35.

## **Section 5(3)**

88. Section 5(3) states:

“(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 a European Union trade mark or international trade mark (EC), in the European Union) 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”.

89. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and 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 public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.



(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42.

(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 risk 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

90. In *General Motors*, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. 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.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it".

91. As is clear from the case law cited above, as the stylised mark is an EUTM it must be known by "a significant part" of the relevant public in the EU.<sup>44</sup> It is also clear from the comments of Geoffrey Hobbs QC, sitting as Deputy Judge of the High Court, in *Whirlpool Corporations and others v Kenwood Limited* [2009] ETMR 5 (HC) that a reputation in the UK will qualify as a reputation in the Community:

"76. Article 9(1)(c) provides protection for Community trade marks which have a reputation "in the Community". Kenwood suggested that this means a reputation across the Community as a whole or at least a large area of it. I do not agree. In the case of a trade mark registered at the national level, protection of the kind provided by art.9(1)(c) can be claimed for trade marks which have a reputation in the sense that they are known by a significant part of the public concerned by the products or services covered by that trade mark in the territory of registration. Since the territory of registration is part of the Community, the trade mark has a reputation in the Community. The trade mark does not cease to have a reputation in the Community if the national registration is either subsumed within a Community trade mark registration under art.34(2) of the CTMR on the basis of a valid claim to seniority or duplicated by a Community trade mark registration. In principle, a Community trade mark should not receive less protection than a national trade mark with a reputation in the same territory. I think that the aim should generally be to prevent conflict occurring in any substantial part of the Community and that the United Kingdom can for that purpose be regarded as a substantial part of the Community, with or without the addition of France and Germany. It thus

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<sup>44</sup> *PAGO International GmbH v Tirolmilch registrierte Genossenschaft mbH*, C-301/07 (CJEU).

appears to me that Whirlpool's Community trade mark has a reputation in the Community”.

92. I have no doubt that both marks enjoyed a reputation in the UK, and consequently the EU, at the relevant date (12 April 2017). Significant revenue has been generated under the marks by the opponent's advertising services and it is clear that an important feature of the opponent's business is to enable individuals and businesses to advertise products on its trading platform. The trading platform itself is clearly very successful. Accordingly, the opponent's reputation was in both advertising services and, for the stylised mark, in the online trading services covered by the registration which allow third parties to advertise, buy and sell goods through the site.

#### Link

93. My assessment of whether the public will make the required mental link between the marks must take account of all relevant factors. The factors identified in *Intel* are:

*(i) the degree of similarity between the marks*

94. I have assessed the similarity between the marks, above. The level of visual and aural similarity between the earlier marks and the contested mark is between fairly low and medium. There is a clear conceptual similarity.

*(ii) the nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public*

95. Some of the services, namely advertising services, are identical. I have already found the remaining contested services to be dissimilar to advertising services. I do not consider them to be similar to the online trading services in which the opponent has a reputation, there being no overlap in purpose, nature, channels of trade or method of

use. There is neither competition nor complementarity between the services. There is an overlap in the relevant public.

*(iii) the strength of the earlier mark's reputation*

96. The reputation is a strong one.

*(iv) the degree of the earlier mark's distinctive character, whether inherent or acquired through use*

97. The earlier marks are both highly distinctive.

*(vi) whether there is a likelihood of confusion*

98. There is no likelihood of confusion.

99. I find that a significant section of the relevant public will perceive a link between the earlier marks and the application, even where there is no likelihood of confusion and/or where the services are not similar. The strong reputation and high level of distinctiveness of the earlier marks, coupled with the similarities between the marks, will, in my view, overcome the factors which might point towards no link being made. The relevant public will make the required link.

#### Unfair advantage

100. Unfair advantage was considered in *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch). Arnold J. considered the earlier case law and concluded that:

“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 defendant to benefit from the reputation and goodwill of the trade mark amounts to unfair advantage even if it is not proved that the defendant subjectively intended to exploit that reputation and goodwill.

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 CJEU 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’.”.

101. The opponent's claim is that the applicant would obtain an unfair advantage by being “able to enter the marketplace without having to incur the same costs of advertising their own services, in essence exploiting the reputation of the Opponent's

eBay Marks by entering a ready-made market”.<sup>45</sup> Although the opponent claims that “the only possible explanation for the Applicant’s choice of “BAY” to describe its online marketplace service is to feed off the fame of the Opponent’s Marks”,<sup>46</sup> there is no evidence that the applicant subjectively intended to take advantage of the earlier mark. However, the applicant filed no evidence of its own. Further, although the applicant’s counterstatement states that “BAY” is not unique to the opponent, the applicant does not explain why it chose “UKBAY” (with device) as its mark. The applicant explains that a not insignificant sum has already been invested in its services but offers no information as to the nature or scope of its business. Given the evidence provided by the opponent of the applicant’s website offering, I cannot rule out that the applicant did intend to take unfair advantage of the opponent’s reputation, though as the case law above makes clear, it is not necessary for me to go that far if I am satisfied that, viewed objectively, the applicant’s mark would take unfair advantage of the opponent’s marks.

102. I accept that the opponent has a reputation as a source of a vast range of goods. I also accept that characteristics such as accessibility and ease of use attach to the opponent’s reputation. In respect of advertising services, there is a little evidence that the opponent is known for its targeting capabilities. It is clear that the opponent has generated substantial annual turnover and secured advertising campaigns for national and multinational businesses, as well as positioning the opponent as one of the leading websites where individuals can offer their goods for sale. It is reasonable to infer that these characteristics form part of the image that will be transferred. In light of the strength of the reputation of the earlier marks, their high degree of distinctive character, and the identity of the advertising services at issue, and despite the moderate (at best) degree of similarity between the marks, I find that there exists a non-hypothetical risk that use of the contested mark in the UK for advertising services could take advantage of the reputation of the earlier marks. The applicant would secure a commercial advantage, benefiting from the opponent’s reputation without paying financial compensation and would thus be likely to take unfair advantage of the earlier marks.

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<sup>45</sup> Statement of grounds, §5.2.2.

<sup>46</sup> Submissions, §46.



103. I am not persuaded that there exists such a risk of unfair advantage in relation to the other services in the application. The opponent has not filed any evidence, nor has it made any persuasive submissions, which would enable me either to identify how the transfer of any image in either advertising or online trading services would be of benefit to the applicant for the remaining services in the application. Simply put, there is too great a gap between the respective services for there to be any real risk of an image transfer and I can see no obvious way in which there would be an unfair advantage if the application were used for business management, business administration, office functions and telecommunications services. I reject this head of injury for these services.

#### Detriment to reputation

104. In its notice of opposition, the opponent indicated that it had no additional claim of damage to its reputation but went on, paradoxically, to state that the reputation of its marks would be tarnished by the use of the mark applied for. It is discouraging that the professionally-represented opponent appears to have been unable to make it clear at the relevant question in the notice of opposition that its objection included a claim of tarnishing.<sup>47</sup> However, as the statement of grounds identifies this head of damage, and as the applicant has therefore been aware since the start of proceedings that tarnishing was part of the opponent's claim, I will consider the head of damage.

105. In *Unite The Union v The Unite Group Plc*, BL O/219/13, Anna Carboni, sitting as the Appointed Person, considered whether a link between an earlier mark with a reputation and a later mark with the mere potential to create a negative association because of the identity of the applicant or the potential quality of its goods/services was sufficient to found an opposition based on detriment to reputation. She said:

“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

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<sup>47</sup> Section B, question 5.

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”.

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

- i) There is nothing in the provision of the services at issue which would cause any form of negative reaction;
- ii) The claim of tarnishing is no more than hypothetical;
- iii) There is no evidence that the applicant already has a negative reputation.

107. I have not overlooked that the applicant's site includes "adult" as a category. However, there is nothing to suggest that the opponent has a particularly wholesome reputation which would be damaged by the use of the application on goods in this category (indeed, I note that it is used sex toys that are banned from the opponent's website).<sup>48</sup> The claim under this head of damage is dismissed.

#### Detriment to distinctive character

108. The opponent claims that the earlier marks will be eroded, blurred or diluted by use of the contested mark. In *Environmental Manufacturing LLP v OHIM*, Case C-383/12P, the CJEU stated that:

"34. According to the Court's case-law, proof that the use of the later mark is, or would be, detrimental to the distinctive character of the earlier mark requires evidence of a change in the economic behaviour of the average consumer of the goods or services for which the earlier mark was registered, consequent on the use of the later mark, or a serious likelihood that such a change will occur in the future (*Intel Corporation*, paragraphs 77 and 81, and also paragraph 6 of the operative part of the judgment)".

It went on:

"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

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<sup>48</sup> AL-12, p. 80.

the normal practice in the relevant commercial sector as well as all the other circumstances of the case”.<sup>49</sup>

109. I acknowledge that the use of a mark which contains the distinctive word “BAY” to describe a website where one can advertise, buy and sell goods has the potential, at least in theory, to reduce the distinctiveness of that word as it appears in the opponent’s marks. However, it is well established that there must be evidence that there has been a change in the economic behaviour of the opponent’s customers or that there is a serious likelihood of such a change. The opponent has not, in my view, provided any convincing submissions which would account for such a change, particularly in respect of the dissimilar services. Nor is there an obvious reason why in this case the presence of another mark, albeit similar to a degree to the earlier marks, would result in a change in the economic behaviour of the opponent’s customers. The s. 5(3) ground based on damage to distinctive character is rejected.

110. The applicant has not pleaded in defence due cause. The claim under s. 5(3) succeeds insofar as it is based upon unfair advantage and is directed against advertising services. It fails in all other respects.

#### **Section 5(4)(a)**

111. Section 5(4)(a) states:

“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

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<sup>49</sup> See also *32Red Plc v WHG (International) Limited and others* [2011] EWHC 665 (Ch) at [133], in which the judge held that a change in consumers’ economic behaviour could be inferred from the inherent probabilities of the situation and para. 137 of - *Ziff Management Europe Ltd v Och Capital LLP* [2011] F.S.R. 11 (HC).

(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”.

112. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, HHJ Clarke, sitting as a Deputy Judge of the High Court stated that:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the Jif Lemon case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56 In relation to deception, the court must assess whether “*a substantial number*” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21)”.

113. Whether there has been passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11, Daniel Alexander Q.C., sitting as the Appointed Person, considered the matter of the relevant date in a passing off case. He said:

“43. In *SWORDERS TM O-212-06* Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has

used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.”.

114. There is no claim and no evidence that the contested mark was in use prior to the date of application. That being the case, the relevant date is 12 April 2017.

115. The House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) provided the following guidance regarding goodwill:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start”.

116. I am satisfied for the reasons given above that the opponent had a protectable goodwill in respect of online marketplace and advertising services at the relevant date, and that the sign EBAY was distinctive of the opponent's business at that date. However, the case under s. 5(4)(a) falls down at this point. For the reasons given in my finding under s. 5(2)(b), the contested mark is unlikely to be mistaken for the earlier sign and there is no likelihood that “a substantial number” of the opponent's customers or potential customers will be deceived, even where the field of activity is the same. Consequently, use of the contested mark would not constitute a misrepresentation to the public. The s. 5(4)(a) ground of opposition is dismissed.

## **Conclusion**

117. The opposition succeeds in respect of advertising services in class 35. Subject to appeal, the application will be registered for the following services only:

Class 35 Business management; business administration; office functions.

Class 38 Telecommunications.

**Costs**

118. The applicant has had a greater proportion of success than the opponent and is, therefore, entitled to an award of costs. However, not only is its success partial but the applicant has also played no part in these proceedings since the filing of a counterstatement. Bearing that in mind, along with the relevant Tribunal Practice Notice (2/2016), I award costs to the applicant as follows:

Considering the notice of opposition and preparing a counterstatement:	£160
Considering the other party's evidence	£400
Total:	£560

119. I order eBay, Inc. to pay SC ZuMedia Games SRL the sum of **£560**. This sum is to 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 16<sup>th</sup> day of November 2018**



**Heather Harrison  
For the Registrar**