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TRADE MARKS ACT 1994

**CONSOLIDATED PROCEEDINGS
IN THE MATTER OF APPLICATIONS 2475770 & 2460889
BY PRESCRIPTION MARKETING LTD
TO REGISTER IN CLASSES 35, 36 & 44 THE TRADE MARKS:**



&

vbay

AND

**OPPOSITIONS THERETO (NO 97017 & 97478) BY
EBAY INC**

TRADE MARKS ACT 1994

Consolidated proceedings in the matter of applications 2475770 & 2460889 by Prescription Marketing Ltd to register two trade marks in classes 35, 36 & 44

and

Oppositions thereto (no 97017 & 97478) by eBay Inc

The background and the pleadings

1) On 9 July 2007 Prescription Marketing Ltd (“PM”) filed application 2460889 for the mark “vbay”. Registration is sought in respect of the following services:

Class 35: The advertising of veterinary equipment and laboratory equipment, for sale, exchange or purchase; electronic retail services connected with veterinary equipment and laboratory equipment.

Class 36: The provision of online financial services relating to veterinary equipment and laboratory equipment.

Class 44: Veterinary services, including pharmacy and diagnostic services.

2) On 22 December 2007 PM filed application 2475770 for the mark:



The services sought to be registered mirror that of 2460889.

3) Application 2475770 was published in the Trade Marks Journal on 1 February 2008 and 2460889 was published on 28 March 2008.

4) eBay Inc (“eBay”) opposes the registration of both applications. It originally opposed all of the above services, but it later withdrew its opposition against the services in class 44. The oppositions (which were subsequently consolidated) are under sections 5(2)(b) & 5(3) of the Trade Marks Act 1994 (“the Act”). The earlier marks it relies on are:

i) Community trade mark (“CTM”) 1028398 for the mark:



Class 14: Clocks, watches and jewellery.

Class 16: Printed matter and printed publications; books and magazines; paper and stationery; wrapping paper; postcards and greeting cards; memo boards and pads; paper tablecloths, napkins and placements, paper party decorations; playing cards, address books and personal diaries; writing instruments, pens and pencils; erasers, desk top organizers, desk pads, desk stands and pan holders; office requisites; desk baskets for desk accessories; desk file trays; desk top stationery cabinets; desk sets; posters; bumper stickers; calendars and decorative stickers and decals.

Class 25: Complete articles of clothing including headwear, neckwear and footwear; T-shirts, sweatshirts, jackets, caps and visors.

Class 35: Advertising services; business information and administration services; on-line trading services.

The mark was filed on 24 December 1998 and it completed its registration procedure on 12 April 2002.

eBay makes a statement that it has used its mark in respect of goods and services mirroring those for which it is registered.

ii) CTM 1029198 for the mark EBAY

Class 14: Clocks, watches and jewellery.

Class 16: Printed matter and printed publications; books and magazines; paper and stationery; wrapping paper; postcards and greeting cards; memo boards and pads; paper tablecloths, napkins and placements, paper party decorations; playing cards, address books and personal diaries; writing instruments, pens and pencils; erasers, desk top organizers, desk pads, desk stands and pan holders; office requisites; desk baskets for desk accessories; desk file trays; desk top stationery cabinets; desk sets; posters; bumper stickers; calendars and decorative stickers and decals.

Class 25: Complete articles of clothing including headwear, neckwear and footwear; T-shirts, sweatshirts, jackets, caps and visors.

Class 35: Advertising services; business information and administration services; on-line trading services.

The mark was filed on 24 December 1998 and it completed its registration procedure on 22 June 2000.

eBay makes a statement that it has used its mark in respect of goods and services mirroring those for which it is registered.

iii) CTM 1238617 for the mark EBAY

Class 09: Electrical and electronic apparatus and instruments; apparatus for receiving, recording and reproducing audio and video signals; blank and pre-recorded media for storage and release of audio and video signals; pre-recorded tapes, CD-ROM, discs and video tapes; computer hardware and computer software; computer games software; software for use in searching for and retrieving computerised information and material.

Class 28: Games, toys and playthings; hand-held computer games; ornaments; plush toys and soft sculpture toys; gymnastic and sporting apparatus, instruments and articles

Class 41: Provision of educational, entertainment and sporting facilities and activities; radio and television entertainment services; production of radio and television programmes.

The mark was filed on 12 July 1999 and it completed its registration procedure on 24 October 2000.

eBay makes a statement that it has used its mark in respect of goods and services mirroring those for which it is registered.

iv) UK registration 2185144 for the mark EBAY

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.

The mark was filed on 22 December 1998 and it completed its registration procedure on 8 December 2000.

eBay makes a statement that it has used its mark in respect of services mirroring those for which it is registered.

v) CTM 1499599 for the mark EBAY

Class 16: Printed matter; catalogues, brochures and leaflets; periodicals and magazines; radio and television programmes.

Class 38:

Telecommunications services; electronic transmission of data and information; providing user access to the Internet; providing telecommunications connections to the Internet or data bases; telecommunications gateway services; electronic mail services.

Class 41:

Education and entertainment services; provision of educational, entertainment and sporting facilities and activities; radio and television entertainment services; production of radio and television programs.

The mark was filed on 9 February 2000 and it completed its registration procedure on 6 June 2001.

eBay makes a statement that it has used its mark in respect of goods and services mirroring those for which it is registered.

vi) CTM 4946828 for the mark



Class 35: Operating online marketplaces for sellers and buyers of goods and services; providing evaluative feedback and ratings of sellers` goods and services, the value and prices of sellers` goods, buyers` and sellers` performance, delivery, and overall 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; customer loyalty services and customer club services for commercial, promotional and advertising purposes; promoting the goods and services of others.

Class 36: Electronic commerce payment services, namely, processing payments for the purchase of goods and services via an electronic communications network.

Class 38: Telecommunications services, namely the electronic transmission of data and information; paging services; providing an online, interactive bulletin board for the transmission of messages among computer users concerning hobbies, collectibles, trading, and the sale of goods and services via a global communications network.

Class 41: Arranging and conducting educational seminars in the field of online commerce.

The mark was filed on 6 March 2006 and it completed its registration procedure on 30 January 2007. No statement of use is made.

5) The statements of use in relation to marks i) to v) relate to the proof of use regulations¹. Absent proper reasons for non-use, earlier marks which completed their registration procedure five years or more before the date(s) on which PM's applications were published in the Trade Marks Journal may only be relied upon if they have been genuinely used. This applies to marks i) to v). No statement of use was made in relation to mark vi) because this is a more recent registration and the proof of use provisions do not apply to it; this earlier mark may be taken into account for its specification as registered without considering whether it has been used or not.

6) PM filed a counterstatement denying the grounds of opposition. It put eBay to proof of use in respect of its earlier marks. I note, though, that when doing so the request to provide proof relates to "...a service specifically for veterinary goods and using a trade mark similar to ours". In terms of the defence itself, PM argues that the marks are different on account of the difference between the V and the E in the respective marks, that PM's mark (or one of them) has a completely different device element to the devices that eBay uses, that there are other marks more similar to eBay's marks (e-buy, Epay) and that PM's services relate specifically to veterinary goods. The counterstatement also refers to other issues including that eBay is in a dominant position in the marketplace and that it bullied PM in correspondence when requesting PM to withdraw its marks. PM refers to the accusations of plagiarism contained in such letters – PM denies this explaining that its mark is an abbreviation for "veterinary business advertising". I also note from its counterstatement that PM states that "Ebay is the world's largest on-line retailer and is in a dominant position".

7) Both sides filed evidence. Neither side requested a hearing, both opting instead to file written submissions.

The evidence

eBay's evidence - witness statement of Jeffrey Parker dated 4 December 2009

8) Mr Parker is the trade mark attorney acting on behalf of eBay in these proceedings. His evidence relates primarily to the domain name vbay.co.uk. Mr Parker assumes that if the applied for marks were to be used in relation to electronic retail services connected with veterinary equipment then PM was likely

¹ See section 6A of the Act (section 6A was added to the Act by virtue of the Trade Marks (Proof of Use, etc.) Regulations 2004 (SI 2004/946) which came into force on 5th May 2004).

to have wanted a corresponding domain name. The following facts emerge from his evidence:

- As of 24 April 2008, Nominet's records show that vbay.co.uk was registered to John Burrow trading as "Domains to you". Nothing was found to connect Mr Burrow to PM.
- As of 3 November 2009, Nominet's records show that the registrant of the domain name was Jeremy Johnson. No date is given for the change of registrant. No address is given for Mr Johnson. Instead, the following text appears: "The registrant is a non-trading individual who has opted to have their address omitted from the WHOIS service".
- The Managing Director of PM is a Mr Jeremy Johnson. Mr Parker assumes the two Mr Johnson's to be one and the same.
- As of the date of his evidence, the domain name points only to a "parking page" operated by the registrar of the domain name, 1 &1 Internet AG.

eBay's evidence - witness statement of Mike Yaghmai dated 16 December 2009

9) Mr Yaghmai is Senior Director & Counsel – Intellectual Property, at eBay. I do not intend to summarise Mr Yaghmai's evidence in detail. This is because, as a matter of judicial notice, I consider it a notorious fact that the mark EBAY is an extremely well-known mark in the UK and in many other parts of the world. It is a well-known facilitator for the selling (online) of goods often (but not exclusively) via the auction method of selling. PM have not really disputed this as it refers itself to eBay being the world's largest on-line retailer. The proof of use PM requested was not necessarily as a retailer per se but as a service specifically relating to veterinary goods. I will, nevertheless, highlight some of the headline facts from the evidence which are:

- Use in the UK began when, in March 1996, UK customers began registering via the website at www.ebay.com;
- Country specific websites exist and UK customers began registering via the website www.ebay.co.uk in 1997;
- By 2007 eBay had over 210 million registered users with 100 million of them being in the EU and over 27 million in the UK;
- eBay has spent over US\$1.2million on advertising in the EU in the period 2003-2007.

10) Current prints from ebay.com and ebay.co.uk are provided which show the mark EBAY presented predominantly on the webpage with a particular form of

stylization. The prints also show use of the word “EBAY” and “eBay”. Prints from the current ebay.com website show various goods being sold which have a veterinary aspect. Other prints show that on ebay.com there is a specific category of goods called “Pet Supplies”.

PM's evidence - witness statement of Jeremy Johnson dated 17 March 2010

11) Mr Johnson is one of the directors of PM. He is a member of the Royal College of Veterinary Surgeons. He states that he is the person who filed PM's applications. Mr Johnson provides a mixture of fact and submission. Everything he has said will be borne in mind, but, in terms of what I consider necessary to summarise, this consists of:

- Various statements questioning whether Mr Parker had consent to act on behalf of eBay;
- Mr Johnson states that eBay has failed to show that it provides a service specifically for veterinary professionals. He highlights that the evidence provided by eBay consists of current prints. He provides his own evidence showing that as of the date of his evidence ebay.co.uk had no veterinary section and no pet supplies section either. In respect of ebay.com, whilst it has a pet supplies section it does not have a veterinary section;
- Mr Johnson states that a year ago he searched for products described as “veterinary” on ebay.co.uk and he bid on the only two that came up. They were vintage or obsolete products;
- Mr Johnson states that PM's mark was derived from the acronym, “v.b.a.” which is short for “veterinary business advertising”;
- Mr Johnson states that eBay always use distinctive device marks and that one of PM's marks also has a device element which does not remotely resemble that of eBay;
- Evidence is provided showing that when someone from the UK accesses ebay.com a dialogue box appears which points the user towards the local .co.uk website. The option to continue to .com is, though, retained;
- Mr Johnson states that there is a public interest in PM being allowed to register its mark as the use of medical equipment by those without the relevant qualifications/experience is hazardous. Mr Johnson provides an extract from Which magazine relating to medicines being sold on eBay's website which could be dangerous.

eBay's reply evidence - witness statement of Jeffrey Parker dated 21 June 2010

12) The primary points from this are:

- That Jeffrey Parker & Co act on behalf of eBay albeit that it takes instructions from a US firm of lawyers called Howry LLP;
- That veterinary supplies are shown in the evidence albeit on ebay.com. He says that ebay.com is the worldwide flagship website and is used by people in the UK and the rest of the world;
- That Mr Parker could find no reference to VBA being an acronym for "veterinary business advertising".

The proof of use provisions

13) As stated in paragraph 5, the proof of use provisions apply to earlier marks i) to v). The relevant legislation reads:

"6A Raising of relative grounds in opposition proceedings in case of non-use

(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, ...

...

(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...”

14) Section 100 is also relevant which reads:

“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.”

15) When considering whether genuine use has been shown, I bear in mind the leading authorities on the principles to be applied namely: the judgments of the European Court of Justice (“ECJ”) in *Ansul BV v Ajax Brandbeveiliging BV* [2003] R.P.C. 40 (“*Ansul*”) and *Laboratoire de la Mer Trade Marks C-259/02* (“*La Mer*”). It is also worth noting the Court of Appeal’s (“COA”) judgment ([2006] F.S.R. 5) in the latter of these cases when it had to apply the guidance given by the ECJ. From these judgments the following points are of particular importance:

- genuine use entails use that is not merely token. It must also be consistent with the essential function of a trade mark, that is to say to guarantee the identity of the origin of goods or services to consumers or end users (*Ansul*, paragraph 36);

- the use must be ‘on the market’ and not just internal to the undertaking concerned (*Ansul*, paragraph 37);

- it must be with a view to creating or preserving an outlet for the goods or services (*Ansul*, paragraph 37);

- the use must relate to goods or services already marketed or about to be marketed and for which preparations to secure customers are under way, particularly in the form of advertising campaigns (*Ansul*, paragraph 37);
- all the facts and circumstances relevant to determining whether the commercial exploitation of the mark is real must be taken into account (*Ansul*, paragraph 38);
- the assessment must have regard to the nature of the goods or services, the characteristics of the market concerned and the scale and frequency of use (*Ansul*, paragraph 39);
- but the use need not be quantitatively significant for it to be deemed genuine (*Ansul*, paragraph 39);
- there is no requirement that the mark must have come to the attention of the end user or consumer (*La Mer* (COA), paragraphs 32 and 48);
- what matters are the objective circumstances of each case and not just what the proprietor planned to do (*La Mer* (COA), paragraph 34);
- the need to show that the use is sufficient to create or preserve a market share should not be construed as imposing a requirement that a significant market share has to be achieved (*La Mer* (COA), paragraph 44).

16) In terms of what eBay are required to prove, having regard to the nature of PM's counterstatement, it is considered that PM has put eBay to proof of use only in respect of services specifically directed to the sale/trade of veterinary goods. This is what is asks for in the proof of use parts of form TM8. It is also clear from PM's accompanying statements that it considers eBay to be the world's largest on-line retailer so based on this, together with its comments in respect of proof of use, there is a tacit agreement that the marks have been used albeit not in relation to services specifically directed to the sale/trade of veterinary goods.

17) When considering whether eBay has shown any form of use in respect of services relating to the sale/trade of veterinary goods, I agree with PM in the points it has highlighted in that eBay has provided current (rather than historical) prints and that the prints come from the ebay.com website rather than ebay.co.uk. The relevant periods that need to be considered are: a) in respect of application 2475770 the period is 2 February 2003 to 1 February 2008 and, b) in respect of application 2460889 the period is 29 March 2003 to 28 March 2008. There is nothing to show any use in respect of services specifically for the sale/trade of veterinary goods during the relevant period. It would be wrong to infer that such use has been made as the benefit of judicial notice can only go so far. The fact that the use is, in any event, on the ebay.com website (the evidence

from PM shows that the .co.uk website has no veterinary/pet supplies category and that limited veterinary goods are sold on it) rather than the ebay.co.uk website re-enforces the deficiency. The evidence is that country specific websites exist for country specific selling activities. As PM's evidence shows, a UK user visiting ebay.com is pointed towards ebay.co.uk. Whilst a UK user can still proceed to the .com website, the evidence as a whole does not support a claim to genuine use in the UK (or the EU in respect of the CTMs). The evidence is just too lacking in objective detail to come to any other conclusion. The fact that Mr Parker describes ebay.com as the worldwide flagship website is neither here nor there. eBay has, therefore, not shown that it has used its mark in respect of services specifically directed to the sale/trade of veterinary goods.

18) The next question is whether eBay's failure to provide the proof of use requested by PM should have any impact on the specifications for which eBay's marks may be taken into account. When deciding on a fair description, it must not be over pernickety². It is necessary to consider how the services at issue would ordinarily be described³.

19) The relevant parts of eBay's specifications cover online trading at large, or bulletin boards for trading etc at large. It is clear from the evidence (and I consider it a notorious fact) that the goods sold on eBay are vast and varied. I note, for example, that in addition to its primary categories (which themselves are varied) there is a category for "everything else". Mr Johnson himself has referred to the large range of goods eBay sells. Given all this, it would be an artificial exercise to attempt to reduce the scope of the terms in eBay's registrations. The public would see eBay as providing the facilities for virtually anything to be advertised and traded. The specifications may be taken into account as they stand.

20) I should add that even if I am wrong on the degree to which PM have requested proof of use and that I should have treated PM's request as a request for full proof of use, I consider that the same (relevant) outcome would result. I use the word "relevant" because whilst the various goods covered by eBay's registrations could not be utilised in the opposition because there is no use in respect of them, such goods are not particularly relevant to the nature of the opposition. What is relevant to the proceedings are the online trading type services covered by eBay's various registrations. Although eBay's evidence leaves a lot to be desired, the whole context nevertheless paints a compelling picture that the marks has been used extensively in relation to an online service to facilitate trading by third parties in relation to a wide variety of goods. Mr Yaghmai states that its marks have been used consistently since they were first used in the UK and provides examples of use albeit they are current prints. The prints provided by Mr Johnson from an earlier date show that the nature of the

² See *Animal Trade Mark* [2004] FSR 19.

³ See *Thomson Holidays Ltd v Norwegian Cruise Lines Ltd* [2003] RPC 32.

use has not really changed (Mr Johnson was filing the evidence to establish lack of use in relation to the sale/trade of veterinary goods rather than lack of use of the marks themselves). For the reasons given in the preceding paragraph, it would be artificial to restrict the scope of the relevant registrations. The different marks appear to have been used, albeit the stylised version (coloured in use) is the most prominent. This does not mean that eBay should not also be able to rely on its word marks which are also used albeit in a less prominent manner.

Section 5(2)(b) of the Act

21) This section reads:

“5.-(2) A trade mark shall not be registered if because –

(a)

(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.”

22) In reaching my decision I have taken into account the guidance provided by the ECJ in a number of judgments: *Sabel BV v. Puma AG* [1998] R.P.C. 199, *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* [1999] R.P.C. 117, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* [2000] F.S.R. 77, *Marca Mode CV v. Adidas AG + Adidas Benelux BV* [2000] E.T.M.R. 723, *Medion AG V Thomson multimedia Sales Germany & Austria GmbH* (Case C-120/04) and *Shaker di L. Laudato & Co. Sas* (C-334/05).

23) The existence of a likelihood of confusion must be appreciated globally, taking into account all relevant factors (*Sabel BV v Puma AG*). As well as assessing whether the respective marks and the respective services are similar, other factors are relevant including:

The nature of the average consumer of the services in question and the nature of his or her purchasing act. This is relevant because it is through such a person's eyes that matters must be judged (*Sabel BV v Puma AG*);

That the average consumer rarely has the chance to make direct comparisons between trade marks and must, instead, rely upon the imperfect picture of them he or she has kept in mind (*Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel B.V.*) This is often referred to as the concept of “imperfect recollection”;

That the degree of distinctiveness of the earlier trade mark (due either to its inherent qualities or through the use made of it) is an important factor because confusion is more likely the more distinctive the earlier trade mark is (*Sabel BV v Puma AG*);

That there is interdependency between the various factors, for example, a lesser degree of similarity between the marks may be offset by a greater degree of similarity between the respective goods, and vice versa (*Canon Kabushiki Kaisha v Metro- Goldwyn-Mayer Inc*).

The average consumer

24) The case-law informs me that the average consumer is reasonably observant and circumspect (*Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel B.V* paragraph 27). The degree of care and attention the average consumer uses when selecting goods or services can, however, vary depending on the particular goods or services in question (see, for example, the judgment of the General Court “GC” in *Inter-Ikea Systems BV v OHIM* (Case T-112/06)). The opposed services sought by PM are:

Class 35: The advertising of veterinary equipment and laboratory equipment, for sale, exchange or purchase; electronic retail services connected with veterinary equipment and laboratory equipment.

Class 36: The provision of online financial services relating to veterinary equipment and laboratory equipment.

25) The advertising for sale and the electronic retail service is connected with veterinary equipment and laboratory equipment. This, inevitably, means that the average consumer of PM's services (including the associated financial services which would include electronic payment services) must be taken to be a veterinary professional or another professional person likely to use laboratory equipment. The use of the services represents a process which is neither more highly considered or less considered than the norm. The goods themselves may be purchased with more caution with a high degree of consideration, but the service provider, whilst important, is not as significant. A reasonable degree of care and attention will be displayed. Given that all of the services are online then the visual impression of the marks will be most important. Aural similarity will not, though, be completely ignored from the analysis.

Comparison of services

26) PM's services are set out above. The two earlier EBAY marks have specifications which cover:

Online trading services, and

Providing an online, interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network

27) In assessing this factor I note the judgment in *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer* where the ECJ stated:

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

28) Guidance on this issue can also be seen in the comments of Jacob J in *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281 (“*British Sugar*”) where the following factors were highlighted as being relevant in the assessment of similarity of goods and services:

- “(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.”

29) In construing a word used in a trade mark specification, one is concerned with how the product or service is, as a practical matter, regarded for the purposes of the trade⁴. I must also bear in mind that words should be given their natural meaning within the context in which they are used; they cannot be given an unnaturally narrow meaning⁵.

⁴ See *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281

⁵ See *Beautimatic International Ltd v Mitchell International Pharmaceuticals Ltd* [2000] FSR 267

30) Finally, when comparing the respective services, if a term clearly falls within the ambit of a term in the competing specification then identical services must be held to be in play⁶ even if there may be other services within the broader term that are not identical.

31) PM's services are specific to the sale of veterinary and laboratory equipment. Even though, as I have already stated, there is no evidence that eBay specifically target the sale of such goods, it is clear that its services can be used to sell virtually anything. Its specifications are not limited. The services could relate to general consumer goods or to those aimed at certain specialisms. Having decided that eBay's specifications should be considered in these proceedings as registered, the notional coverage of those specifications is what matters. Being unspecific means that they are unrestricted. This means that PM's services in class 35 fall within the ambit of eBay services. The services must therefore be held to be identical because included within the ambit of eBay's specification is the capacity to facilitate the sale/trade of veterinary equipment and laboratory equipment.

32) Even if I am wrong on the above and that there is some form of distinction between a specific service for the sale of particular goods and an unspecific service which could nevertheless include the sale of such goods then there must still, in my view, be a reasonably high degree of similarity. The nature of the service is the same in that both are, essentially, electronic trading services, the method of use will be the same (probably a website accessed by potential customers), the users would overlap in that the consumers of the specific service could also use the unspecific one to obtain the same goods, the purpose is the same or at least very similar in that both could be used to purchase the same type of goods even if the unspecific one may also provide a much wider range.

33) I must also consider PM's services in class 36. No limitation has been put forward to differentiate between different forms of financial service so it is sufficient to consider the position on the basis of the financial service which has the greatest degree of similarity with eBay's services. Financial services would include those for facilitating electronic online payments. When this is considered, the ancillary relationship with facilitating trading online (in class 35) is readily apparent. There is a clear complementary relationship. These services are reasonably similar to eBay's services. It should also be noted that eBay's earlier mark for EBAY EXPRESS (stylised), a mark which is not subject to proof of use, covers electronic payment services in class 36 which must be held to be identical to PM's services in class 36.

⁶ See *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs)(OHIM) Case T-133/05* ("Gérard Meric").

Comparison of marks

34) eBay best prospect of success must lie with its word marks. PM highlighted that the marks in use are always accompanied by device elements. However, it is the mark(s) as registered that matters. As stated earlier, there is, in any event, some use of the marks without any particular form of presentation. The competing marks, for ease of reference, can be seen in the table below:

PM's marks	eBay's mark
<p data-bbox="268 645 384 703">vbay</p> <p data-bbox="268 757 296 792">&</p> 	<p data-bbox="810 658 922 694">EBAY</p>

35) It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. It would be wrong, therefore, to artificially dissect the trade marks, although, it is necessary to take into account any distinctive and dominant components.

36) In terms of EBAY against vbay, neither are composite marks with particular elements dominating others. Both, though, are made up of the word BAY/bay with a letter (albeit a different letter) in front of this word. There is no real similarity from a visual perspective between a V and an E, but there is a degree of aural similarity between a V and E. The marks are both short which means that any differences are less likely to be lost. The difference is at the beginning of the marks which, although just a rule of thumb, is still a relevant factor. I do not consider it appropriate to say that the marks are highly similar, but overall there is still a reasonable degree of visual similarity with a slightly higher degree of aural similarity.

37) Conceptually neither mark has any meaning as a whole. There is a claim that vbay is based on an acronym for veterinary business advertising but there is no evidence that this is a known term and, in any event, even if there was such a meaning would be lost on account of the addition of the word Y (for which no explanation is provided). The EBAY mark has no meaning as a whole. In its submissions PM referred to the fact that the name EBAY was based on eBay's original business name – there is though no evidence as to how many people

would be aware of that fact. I consider the net effect of all this to be that the marks are reasonably similar.

38) In terms of PM's word and device mark, this is a composite mark made up of a green coloured V+ and the word vbay. The two elements are next to each other. V+ has slightly more visual impact on account of its size, but vbay is more likely to be perceived as the primary verbal element in the mark – the V in V+ may be perceived as a reference to the V in vbay. The V+ element also gives some suggestion to pharmacy/medical type goods on account of the green cross included within it. Both elements play independent and distinctive roles although I come to the view that vbay, for the reasons given, is likely to be the more dominant and distinctive element and the element more likely to be recalled.

39) In terms of the comparison between EBAY and PM's word and device mark, similar considerations apply to the comparison already made, albeit the V+ element provides a greater distinction on a visual and aural level. That being said, the significance of vbay, being its dominant and distinctive element, must be borne in mind. I come to the view that there is a more modest level of similarity here, although I would not go so far as to say that the similarity is of only a low degree.

Distinctiveness of the earlier mark

40) The degree of distinctiveness of the earlier mark is an important factor to consider. This is because the more distinctive the earlier mark (based either on its inherent qualities or because of the use made of it), the greater the likelihood of confusion (see *Sabel BV v. Puma AG*, paragraph 24). In terms of inherent qualities, the earlier mark(s) is already a highly distinctive one. It is an invented word and I can see no real allusive or suggestive qualities in relation to the relevant services. The use made enhances this position. As stated earlier the EBAY marks are extremely well-known. I think very few people in the UK will not know of the marks. The degree of distinctiveness is of the highest degree.

Conclusions on the likelihood of confusion

41) It is clear that all the relevant factors have a degree of interdependency (*Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer Inc*, paragraph 17) and that a global assessment of them must be made when determining whether there exists a likelihood of confusion (*Sabel BV v. Puma AG*, paragraph 22). However, there is no scientific formula to apply. It is a matter of considering the relevant factors from the viewpoint of the average consumer and determining whether they are likely to be confused.

42) Looking firstly at PM's class 35 services, I have found that the services are identical or, at the least, reasonably highly similar to eBay's services. I have found PM's word mark to be reasonably similar to eBay's mark (particularly its

EBAY word mark) and that whilst PM's word and device mark has a more modest degree of similarity, the degree of similarity is not merely low. I have found that a reasonable degree (but not a high degree) of consideration will be used when choosing the service provider. I have also found that the earlier mark is very high in distinctive character. PM's primary argument is that a reasonably attentive consumer will hardly mistake the V and the E and that the respective device marks will also assist in distinguishing. I understand this submission, but the concept of imperfect recollection must also be borne in mind in that marks are rarely seen side by side and the consumer must rely on the imperfect picture of them they keep in mind. The significance of imperfect recollection is also more acute when one is dealing with invented words because there is no conceptual meaning that the consumer can store away for future recall. Weighing all these factors, I come to the conclusion that there is a likelihood of confusion. Furthermore, even if PM are correct and that the average consumer recognizes the difference between the V and the E aspects of the respective marks, I come to the view that the degree of similarity between the marks, the distinctiveness of EBAY, and the closeness of the services, means that the vbay service will simply be seen as being provided by the same or an economically linked undertaking of eBay. This is a relevant form of confusion⁷. I have considered all of this, as I am required to do, from the viewpoint of the average consumer as identified earlier. The fact that they may be veterinary professionals would not avoid confusion. In relation to the word and device mark, whilst the additional elements in PM's mark are borne in mind, all this achieves, in my view, is an absence of direct confusion. Indirect confusion is still likely given that vbay is still the dominant and distinctive element.

43) Turning to the services in class 36, it is my view that the complementary relationship between the class 35 services and online payment services means that the factors assessed above also apply here. There is a likelihood of confusion.

44) For the sake of completeness, I should add that even considering the position in respect of eBay's EBAY EXPRESS (stylized) mark, a mark which is not subject to proof of use, there is a likelihood of (indirect) confusion. All of the services are identical or, at the least, highly similar. Although this mark is stylized, the key components of the respective marks are still EBAY/vbay. All things considered, there is still a likelihood of indirect confusion based on the analysis already given.

45) The opposition succeeds under section 5(2)(b) of the Act.

⁷ This is a relevant form of confusion (often referred to as "indirect confusion") - see *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*.

Section 5(3) of the Act

46) Section 5(3)⁸ of the Act reads:

“5-(3) A trade mark which-

(a) is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of Community trade mark, in the European Community) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.”

47) In order to succeed under this ground the earlier mark(s) must have a reputation. In *General Motors Corp v Yplon SA* (Chevy) [1999] ETMR 122 and [2000] RPC 572 Chevy the ECJ stated:

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

48) PM applications were made in July and December of 2007. The earlier mark(s) must have had a reputation at this point. The relevant public to consider will be the public at large given that the (relevant) reputation claimed is in relation to the online trading services that eBay provide. Based on the various comments I have made throughout this decision it should come as no surprise that the EBAY marks (word only and stylized) are considered to possess the requisite reputation.

49) In addition to having a reputation, a link must be made between the respective marks. In *Adidas-Salomon*, the ECJ stated:

“The infringements referred to in Article 5(2) of the Directive, where they occur, are the consequence of a certain degree of similarity between the mark and the sign, by virtue of which the relevant section of the public makes a connection between the sign and the mark, that is to say, establishes a link between them even though it does not confuse them (see, to that effect, Case C-375/97 *General Motors* [1999] ECR I-5421, paragraph 23). The existence of such a link must, just like a likelihood of confusion in the context of Article 5(1)(b) of the Directive, be appreciated globally, taking into account all factors relevant to the circumstances of the case (see, in respect of the likelihood of confusion, *SABEL*, paragraph 22,

⁸ Section 5(3) was amended by The Trade Marks (Proof of Use, etc) Regulations 2004 (SI 2004 No. 946) giving effect to the judgments of the ECJ in *Davidoff & Cie SA and Zino Davidoff SA v Gofkid Ltd* (C- 292/00) and *Adidas-Salomon AG and Adidas Benelux BV v Fitnessworld Trading Ltd* (“*Addidas-Salomon*”) (C-408/01)).

and Marca Mode, paragraph 40).”

50) In *Intel Corporation Inc v CPM (UK) Ltd* (C-252-07) (“Intel”), the ECJ provided further guidance on the factors to consider when assessing whether a link has been established. It stated:

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

42 Those factors include:

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

51) Having assessed the matter against the above criteria, I come to the view that a link will be made. The closeness of the marks and the services, the nature of the mark and the high reputation which the earlier mark enjoys means that eBay mark(s) will be brought to mind when the vbay mark (or the word and device mark) is encountered.

52) The link must, though, lead to one of the heads of damage set out in section 5(3). Although eBay also plead that PM’s mark would be detrimental to its reputation (often referred to as “tarnishing”), the strongest pleading relates to the taking, without due cause, of an unfair advantage (often referred to as “free-riding”). In Case C-487/07, *L’Oreal SA and others v Bellure NV and others* the ECJ defined what is meant by “unfair advantage”:

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

50 In the light of the above, the answer to the fifth question is that Article 5(2) of Directive 89/104 must be interpreted as meaning that the taking of unfair advantage of the distinctive character or the repute of a mark, within the meaning of that provision, does not require that there be a likelihood of confusion or a likelihood of detriment to the distinctive character or the repute of the mark or, more generally, to its proprietor. The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an advantage taken unfairly by that third party of the distinctive character or the repute of the mark where that party seeks by that use to ride on the coat-tails of the mark with a reputation 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."

53) eBay has to establish not only that there would be an advantage, but also that it is unfairly taken. It is to be noted that the ECJ refers to the third party seeking to take advantage, ie a conscious decision being made. The question of the unfair aspect was considered by Lloyd LJ in *Whirlpool Corporations and others v Kenwood Limited* [2009] EWCA Civ 753 :

"136. I do not consider that Kenwood's design involves anything like a transfer of the image of the KitchenAid mark, or of the characteristics which it projects, to the goods identified by Kenwood's sign (see *L'Oréal v Bellure* paragraph 41). Of course, as a newcomer in a specialist market of which KitchenAid had a monopoly, and being (necessarily) in the basic C-shape of a stand mixer, the kMix would remind relevant average consumers, who are design-aware, of the KitchenAid Artisan. That, however, is a very different phenomenon, in very different commercial circumstances, from the situation considered in *L'Oréal v Bellure*. I find the Court's judgment instructive, but it does not seem to me to lead to the conclusion in favour of Whirlpool for which Mr Mellor contends. On the contrary, having rejected his radical submission that the word "unfair" could just as well have been left out of the article, it seems to me that the decision points away from, rather than towards, liability under the article on the facts of the present case. It is not sufficient to show (even if Whirlpool could) that Kenwood has obtained an advantage. There must be an added factor of some kind for that advantage to be categorised as unfair. It may be that, in a case in which advantage can be proved, the unfairness of that advantage can be demonstrated by something other than intention, which was what was shown in *L'Oréal v Bellure*. No additional factor has been identified in this case other than intention."

54) This matter was also considered by Mann J in *Specsavers International Healthcare Limited & Others v Asda Stores Limited* [2010] EWHC 2035 (Ch):

"160. Thus something more than mere advantage is required. It must be an unfair advantage. Lloyd LJ seems to state that an advantage is rendered unfair if it is intended. He also leaves open the possibility that unintended advantage may have a sufficient quality of unfairness about it to qualify."

(Also see *Datacard Corporation v Eagle Technologies Limited* [2011] EWHC 244 (Pat) at paragraphs 294 and 295.)

55) It is also worth considering what the GC stated in *Mäurer + Wirtz GmbH & Co KG v Office for Harmonization in the Internal Market (Trade Marks and Designs)* (OHIM) Case T-63/07:

"40 It is possible, particularly in the case of an opposition based on a mark with an exceptionally high reputation, that the probability of a future, non-hypothetical risk of detriment to the earlier mark or of unfair advantage being taken of it by the mark applied for is so obvious that the opposing party does not need to put forward and prove any other fact to that end. However, it is also possible that the mark applied for does not, at first sight, appear capable of giving rise to one of the risks covered by Article 8(5) of Regulation No 40/94 with respect to the earlier mark with a reputation, even though it is identical with or similar to the earlier mark, in which case the non-hypothetical, future risk of detriment or unfair advantage must be established by other evidence, which it is for the opposing party to put forward and prove (Case T 215/03 *Sigla v OHIM – Elleni Holding (VIPS)* [2007] ECR II 711, paragraph 48)."

56) The pleadings refer to vbay being seen as a V for veterinary and BAY from EBAY which would be perceived by those encountering it as meaning veterinary products and services from an online trading system similar to that of EBAY. This, in my view, is exactly the perception that will be taken. The reputation is so high and the link so strong that this is the inevitable conclusion. Whilst there is no evidence that V is commonly used in relation to the word veterinary, when the specific service is considered this is the likely message that will be perceived. Even if the V will not be seen in this way (for example one also has to consider the position in respect of services relating to the sale/trade of laboratory equipment) the EBAY message will still be apparent. This has a clear advantageous capacity. For example, even if, despite my findings under section 5(2)(b), the consumer is not confused then, in my view, the consumer will at the very least pause to wonder if there is such an economic link. This will increase the likelihood of someone visiting PM's vbay service website. Even if by this time the consumer realizes that vbay is not part of EBAY, the damage is already done or, more accurately, the advantage already taken. Furthermore, if the person encountering the vbay mark approximates it to an EBAY type service then it is

likely to be perceived to be of a similar nature to the services offered by eBay. The number of members of EBAY demonstrates what must be a reliable and workable product – if the perception of vbay is that it is like EBAY (which in PM's own words is "the world's largest online" retailer) then some immediate advantage may flow to vbay. The vbay mark will not have to be marketed extensively for it to educate its potential customers as to what it is about and how it will operate. Further advantage lies here.

57) As to whether this is "unfair", whilst Mr Johnson has not been cross-examined on his evidence, it is notable that the explanation for the coining of the mark vbay is that V.B.A. is an acronym for "veterinary business advertising". Mr Johnson states in submissions (but not in evidence) that EBAY played no part in the conception of the mark. However, what is missing from any explanation is why then put a Y on to the end of the acronym. This is a point highlighted in eBay's submissions and I further agree with it that the most plausible explanation was that the intention was to mimic the word EBAY. If this is a case then an unfair advantage has been taken.

58) PM would have a defence if it can establish that it has a due cause. Due cause was considered by Neuberger J in *Premier Brands UK v Typhoon Europe* [2000] FSR 767. The following text is taken from the head notes for that case:

"(12) The meaning of the phrase "without due cause" in section 10(3), did not mean "in good faith" or "for good honest commercial reasons" as this meaning would render the effect of the section unpredictable and in some cases unfair. The phrase had to be read as not merely governing the words "the use of the sign" but also as governing the words "takes unfair advantage of, or detrimental to".

(13) If the situation was such that a user of a mark was under such a compulsion to use that mark that he could not honestly be asked to refrain from so doing, regardless of the damage inflicted on the actual owner of the mark, then these circumstances would amount to "due cause" for the purposes of the section. Under this interpretation the defendant, though acting honestly, was acting "without due cause".

Lucas Bols v. Colgate-Palmolive (1976) 7 I.I.C. 420 referred to."

59) In the *Lucas Bols* case Neuberger J referred to, it was stated by the Benelux Court that:

"What this requires, as a rule, is that the user (of the mark) is under such a compulsion to use this very mark that he cannot honestly be asked to refrain from doing so regardless of the damage the owner of the mark would suffer from such use, or that the user is entitled to the use of the

mark in his own right and does not have to yield this right to that of the owner of the mark”

60) PM made no specific reference to having a due cause. It is, though, not represented and may have been unaware of the possible defence. It is therefore appropriate to consider whether there is anything in its evidence to establish a due cause. The only possible claims relate to what PM says about eBay abusing its dominant position in opposing its mark and the claim that there is a public interest in allowing its mark to be registered due to the dangers involved in unqualified companies selling veterinary equipment. This is not a due cause. There is nothing wrong in PM providing an online trading service in respect of veterinary equipment. However, doing so under a name that takes unfair advantage of another’s reputation is not necessary. Other marks could have been selected. There is no “compulsion” for PM to have selected and to use vbay. There is no due cause

61) The opposition succeeds under section 5(3) of the Act.

Other issues

62) It is fair to say that PM filed numerous letters during the proceedings containing various submissions and facts. Not all of the facts were included in its formal evidence. I have looked through all the material and it would have had no real impact even if it had been filed in evidence. In terms of submissions, whilst not all were necessarily mentioned above, they have all been borne in mind. For completeness, other issues mentioned include:

- Information about eBay’s listing policy (which is one of user self regulation) and that certain prescription only medicine/devices may not be listed. This is not relevant because the question is one of confusion/unfair advantage and this factor has no real significance. Furthermore, many types of veterinary/laboratory equipment will not be subject to prescription and would be capable of sale on EBAY.
- Various submissions that the service under the EBAY mark(s) are not what PM provide. This is dealt with in my assessment of the similarity of services and the outcomes on confusion. Furthermore, any perceived difference by PM does not make the service dissimilar (for the reasons given) or indicate that an unfair advantage will not be taken.
- References to PM’s other marks containing the letter and word V+ VETPOL; I see no real relevance in relation to the dispute before me.
- That eBay is in a dominant market position and should not be able to “shut out” PM from the market. This is not relevant because the question is one

of confusion/unfair advantage – if such things are found then the opposition must succeed regardless of how dominant eBay may be.

- There is information that eBay stands for Echo Bay Technologies – this has no bearing on any of my decisions as such information is unlikely to be generally known and would not, in any event, effect the similarity between the marks and whether confusion/unfair advantage arises.
- That the opposition comes from Mr Parker and not from eBay. Mr Parker has confirmed both in his evidence and in letters on the official file that he represents eBay albeit he is instructed by US lawyers. This, as Mr Parker states, is a common practice in the legal field and there is nothing unusual or untoward about this.

Conclusion

63) The opposition has been successful against classes 35 & 36 of PM's application. This, of course, has no impact on PM's application in class 44 as eBay withdrew its opposition to this at a relatively early stage.

Costs

64) eBay has been successful and is entitled to a contribution towards its costs. A reference has been made to the way in which PM has conducted itself in the proceedings. I myself have referred to the numerous letters that have been sent by PM in respect of the proceedings. That being said, eBay accept that owing to PM being unrepresented it would not be appropriate to seek costs above the normal scale. I will therefore undertake my assessment with regard to normal scale costs. I hereby order Prescription Marketing Ltd to pay eBay Inc the sum of £2000. This sum is calculated as follows:

Preparing statement and considering the other side's statements
£600

Opposition fee (x2)
£400

Filing evidence and considering the other side's evidence
£600

Filing written submissions
£400

65) The above sum should be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 23 day of March 2011

**Oliver Morris
For the Registrar,
The Comptroller-General**