

O-494-16

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION No. 3110237

BY SOCIAL BILLBOARD LIMITED

TO REGISTER THE TRADE MARK

SOCIALBAY

IN CLASS 35

AND

IN THE MATTER OF OPPOSITION

THERE TO UNDER No. 405128 BY

EBAY INCORPORATED


BACKGROUND

1) On 25 May 2015, Social Billboard Ltd (hereinafter the applicant) applied to register the trade mark “SocialBay” in respect of the following services in Class 35:

“Advertising and advertisement services; Advertising and marketing; Advertising and promotion services and related consulting; Advertising particularly services for the promotion of goods; Advertising via electronic media and specifically the internet; Advertising agency services; Advertising and business services; Advertising and marketing services; Advertising and publicity; Advertising services for the promotion of e-commerce; Advertising services provided via the internet; Provision of space on web sites for advertising goods and services; Advertising and commercial information services, via the internet.”

2) The application was examined and accepted, and subsequently published for opposition purposes on 19 June 2015 in Trade Marks Journal No.2015/025.

3) On 23 September 2015 eBay Inc. (hereinafter the opponent) filed a notice of opposition, subsequently amended. The opponent is the proprietor of the following trade marks:

Mark	Number	Dates of filing and registration	Class	Specification relied upon
EBAY	UK 2185144	22.12.98 08.12.00	35	Advertising services; providing an online, interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network.
EBAY	EU 1029198	24.12.98 22.06.00	35	Advertising services; online trading services.
	UK 2642722	19.11.12 22.02.13	35	On-line trading services, namely, operating on-line marketplaces for sellers and buyers of goods and services; online trading services in which sellers post products or services to be offered for sale and purchasing or bidding is done via the Internet in order to facilitate the sale of goods and services by others via a computer network; providing evaluative feedback and ratings of sellers' goods and

				<p>services, the value and prices of sellers' goods and services, buyers' and sellers' performance, delivery, and overall trading experience in connection therewith; providing a searchable online advertising guide featuring the goods and services of online vendors; providing a searchable online evaluation database for buyers and sellers; advertising and advertisement services; business services, namely, providing a website that gives users the ability to create customized web pages featuring user-defined information in the field of intellectual property rights and intellectual property enforcement policies, in order to assist program participants with inquiries and requests regarding use of intellectual property by others in an online marketplace.</p>
 <p>Colours Claimed / Indication: red, blue, yellow, green</p>	<p>EU 11576865</p>	<p>15.02.13 20.08.13</p>	<p>35</p>	<p>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.</p>
	<p>EU 12995833</p>	<p>13.06.14 30.10.14</p>	<p>35</p>	<p>Online trading services, namely, operating online marketplaces for sellers and buyers of goods and services; online trading services in which sellers post products or services to be offered for sale, and purchasing or bidding is done via the Internet in order to facilitate the sale of goods and services by others via a computer network; providing evaluative feedback and ratings of sellers' goods and</p>

Colours Claimed / Indication: Blue; Yellow; Green			services, the value and prices of sellers' goods and services, buyers' and sellers' performance, delivery, and overall trading experience in connection therewith; providing a searchable online advertising guide featuring the goods and services of online vendors; providing a searchable online evaluation database for buyers and sellers; advertising and advertisement services; business services in the nature of intellectual property claims management, namely, processing and administration of claims of intellectual property owners against third party sellers; identification verification services, namely, confirming authenticity of environmentally friendly products, producers and sellers for the purposes of helping consumers make informed purchasing decisions.
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- a) The opponent contends that the mark in suit contains the opponent's distinctive suffix "BAY", whilst it describes the initial word of the mark in suit (SOCIAL) as of low distinctive character in relation to the services offered. The opponent contends that its earlier marks enjoy enhanced distinctiveness as a result of their use, and that as the marks and services of the two parties are similar the application offends against Section 5(2)(b) of the Act.
- b) The opponent contends that it has 115 million accounts registered within the EU, 42 million of which are to consumers in the UK. It began trading in the UK in March 1996 and that between 2008 and 2012 US\$135 billion worth of goods were sold on eBay in the EU with approximately US\$50 billion being in the UK.
- c) The opponent contends that because of its reputation in the above marks in both the EU and UK, and given the similarity of the marks and services, use of the mark in suit would take unfair advantage of the distinctive character of the opponent's earlier marks (shown above). It contends that consumers would assume a link between the services and as the opponent cannot control the quality of the applicant's services its reputation could be undermined. As such the mark in suit will offend against section 5(3) of the Act.
- d) The opponent claims to have used the sign eBay since 1996 in the UK, in respect of an online marketplace which includes auction services. It is contended that as the signs of the two

parties are similar that the public will associate one with the other which will cause misrepresentation and cause damage to the opponent. The mark in suit therefore offends against Section 5(4)(a) of the Act.

4) On 8 December 2015 the applicant filed a counterstatement, subsequently amended. It puts the opponent to strict proof of use although the applicant accepts that the opponent has goodwill and reputation in relation to the “provision of services for being an online marketplace selling third party products, i.e. as an intermediary or online auction house. The applicant is aware that the opponent has, in the context of other trade mark cases, denied that it directly supplies goods and / or services and instead acts as an intermediary”. The applicant denies the grounds of opposition and provides the following meaning of the term “bay”:

- i) A principal compartment of the walls, roof or other part of a building or of the whole building;
- ii) A main division of a structure; and
- iii) Any of the various compartments or sections used for a special purpose, for example a loading bay, or a service bay.

5) The applicant also questions whether the opponent owns the goodwill in the sign eBay. It states that the User agreement on www.ebay.co.uk states that:

“If you reside within the European Union you are entering into a contract with eBay Europe S.a.r.l. 22-24 Boulevard Royal, L-2449 Luxembourg (company number R.C.S. Luxembourg B. 120781. VAT number LU 21416127. Business licence number 114463).”

6) Both parties filed evidence. Both parties seek an award of costs in their favour. The matter came to be heard on 26 September 2016 when the opponent was represented by Mr Roughton of Counsel instructed by Messrs Nabarro LLP; the applicant was represented by Mr Moss of Counsel instructed by Messrs Hoffman-Bokaei, solicitors.

OPPONENT’S EVIDENCE

7) The opponent filed a witness statement, dated 9 February 2016, by Amber B Leavitt, the Director of Global Intellectual Property of the opponent for whom she has worked since 2010. She states that she has direct knowledge of eBay’s trademark rights and the use of those rights, and access to its

records. She states that the opponent first began registering users on its UK specific site www.ebay.co.uk in January 1997, having previously registered UK customers on its global site from March 1996. She points out that registering as a user means that one can buy and sell on the website. She states:

“20. From 2010-2014, the total value of goods advertised and sold on eBay by persons or businesses in the United Kingdom was over US\$63 billion (thousand million), with over US\$15 billion (thousand million) having been sold in 2014 alone. The total value of goods bought on eBay by persons or businesses in the United Kingdom from 2010-2014 was over US\$49 billion (thousand million) with over US\$15 billion (thousand million) having been bought in 2014 alone.”

8) She states that the opponent’s UK website is the 7th most visited website in the UK, as measured by an independent company. She states that the opponent has spent over US\$300 million in the UK promoting its brand but does not provide details of how this money was spent. She states that the opponent has been the subject of numerous press articles in the UK and EU on TV, radio and printed media. She states that her company has been recognised as one of the most valuable global brands and that the fame of eBay marks has been recognised by courts around the world when they have refused marks which have the suffix “bay”. She states that the applicant initially described itself on its website as “a brand new simple to use classifieds for all your wants & needs across the UK”. This, she contends, demonstrates that the applicant intends to use the mark in suit in connection with classified advertisements. She provides the following exhibits:

- AL1: Copies of pages from the eBay website from the USA dated 27 October 2015.
- AL2: Copies from the UK website, dated 27 October 2015. This shows a number of uses of the term “eBay” as well as use of the coloured trade mark UK 2642722. These show products and services being offered from fashion, toys, tableware, audio equipment, computers, furnishings etc.
- AL3: Copies of pages from the USA website.
- AL4 & 5: A list of trade marks owned by the opponent worldwide, and copies of the registration certificates.

- AL6: A printout of the website ratings.
- AL8: Copies of media coverage of the opponent. The majority of these are dated between 1999 and 2009. Observer (2010), Sun (2011), Telegraph (2012 x 2), Mail (2012), Guardian (2014) and Independent (2014) all reports refer to “eBay” other than when they use the word at the start of a sentence when it appears as “EBay”. There are also reports from non-UK papers and others after the relevant date.
- AL11: A copy of the applicant’s website showing its intention to deal with advertisements.

APPLICANT’S EVIDENCE

9) The applicant filed a witness statement, dated 11 April 2016, by Jonathan Sullivan a Director of the applicant company. Much of the statement consists of submissions which I shall take into account in my decision, but not deal with in the summary of evidence. He states:

“2. Social Billboard was founded in 2012 by the group of companies Global Intl Ltd & Adventure Intl Ltd both of which have been in existence in the UK since 1984. As a subsidiary of the group, our main trading activities have been in rentals and lettings in the form of floor space for commercial use, living space for residential use, and/or wall space for advertising. All members of the group of companies and their subsidiaries adopt the same policy and business model. Social Billboard was created to give advertising services an identity within a recognisable brand of its own. In today’s market, especially with the shortage of available domain names there are unfortunately a very limited availability of usable domains for companies to select from. As the first option we decided to use for [sic] Social Billboard, which has been a successful choice as seen in Exhibit JS1. However, we have always had the intention to further shorten the brand name.”

10) He accepts that “the opponent runs and advertises eBay primarily as an auction platform for its users to sell goods”. He contrasts this with his company which he states; “Social Billboard’s customers are not advertising products in any similar way; our advertisements are located on physical hoardings and generally our client base is businesses which themselves offer goods and services and select our hoardings purely based on its location geographically”. He states that his company’s

“coming soon” page on the internet was designed to mask its final intended use until the official launch so as not to confuse customers. He provides the following exhibits:

- JS1: A copy of the UK registration of the trade mark “Social Billboard”.
- JS2: A copy of the 2014 accounts for eBay (UK) Ltd,
- JS4: A copy of an article from Metro.co.uk which comments on the low levels of tax paid by eBay in the UK. The article claims that the accounts state that eBay UK made only £164 million in 2013 with profits of around £12.4 million. The article states that this is due to the site being owned in Luxembourg.

OPPONENT’S EVIDENCE IN REPLY

11) The opponent filed a witness statement, dated 14 June 2016, by Jessica Stretch the Senior Intellectual Property Counsel at eBay Inc. (the opponent). She states that she has access to the opponent’s records. She states that the opponent’s net revenues in the UK are as follows:

Year	Amount US\$ millions
2013	1,403
2014	1,464
2015	1,290

12) At exhibit JS1 she provides an excerpt from the Annual report 2015 of eBay which provides figures from a number of markets including the UK. She states that eBay Europe uses the EBAY marks under licence from the opponent, and the rights which are generated as a result of that use (which includes goodwill) enure to the benefit of the opponent.

13) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

14) The first ground of opposition is under section 5(2)(b) which 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.”

15) An “earlier trade mark” is defined in section 6, the relevant part of which states:

“6.-(1) In this Act an "earlier trade mark" means -

(a) a registered trade mark, international trade mark (UK) or Community trade mark which has a date of application for registration earlier than that of the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks.”

16) The opponent is relying upon its trade marks listed in paragraph 3 above which are all clearly earlier trade marks. The applicant puts the opponent to strict proof of use although the applicant accepts that the opponent has goodwill and reputation in relation to the “provision of services for being an online marketplace selling third party products, i.e. as an intermediary or online auction house. The applicant is aware that the opponent has, in the context of other trade mark cases, denied that it directly supplies goods and / or services and instead acts as an intermediary”. Given the interplay between the date that the opponent’s marks were registered and the date that the applicant’s mark was published (19 June 2015), the proof of use requirement bites only in respect of the opponent’s marks UK 2185144 (registered 8 December 2000) and EU 1029198 (registered on 22 June 2000). At the hearing the opponent accepted that its strongest case was under UK 2642722 which is not subject to the proof of use provisions. It was accepted that if the opponent could not win under this mark then its others would also fail. There is no need to consider the proof of use issue.

17) When considering the issue under section 5(2)(b) I take into account the following principles which 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 process

18) As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' services. I must then determine the manner in which these services are likely to be selected by the average consumer in the course of trade.

19) The services at issue in these proceedings are all connected to, and centred around, advertising. The average consumer for such services will be the public at large, including businesses. To my mind, advertising services will not be selected lightly. If one is a business and is looking to promote the goods or services you have to offer, the method of setting these goods and services before your potential clients will be a matter of considerable importance. Even if one is simply looking to sell a single item as part of a clear-out of your home, you will want to select the most effective way of ensuring that the item is sold at the best price, and in a convenient and efficient manner. Identifying such a provider will probably involve searching on-line or in telephone directories and possibly asking friends or family for recommendations. The selection of a company providing advertising services is likely to be a predominantly visual one, although I accept that aural considerations will also play their part. As I have indicated earlier the average consumer is likely to pay at least an average level of attention to the selection of the goods at issue.

Comparison of services

20) It is accepted that the opponent's strongest case is in respect of its UK trade mark 2642722 and the services for which that mark is registered. The services to be compared in the instant case are shown in a table at paragraph 27.

21) When making the comparison, all relevant factors relating to the goods in the specifications should be taken into account. In *Canon Kabushiki Kaisha v. Metro-Goldwyn-Mayer*, the CJEU stated at paragraph 23 of its judgement:

“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”.

22) Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

- a) The respective users of the respective goods or services;
- b) The physical nature of the goods or acts of services;
- c) The respective trade channels through which the goods or services reach the market;
- d) 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;
- e) 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.

23) In *YouView TV Ltd v Total Ltd*, [2012] EWHC 3158 (Ch), Floyd J. (as he then was) stated that:

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

24) I also take into account the comments of Jacob J. in *Avnet Incorporated v. Isoact Ltd* [1998] FSR 16 where he said:

“In my view, specifications for services should be scrutinised carefully and they should not be given a wide construction covering a vast range of activities. They should be confined to the substance, as it were, the core of the possible meanings attributable to the rather general phrase.”

25) As for whether the goods are complementary, 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”.

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

“20. In my judgment, the reference to “legal definition” suggests almost that the guidance in Boston is providing an alternative quasi-statutory approach to evaluating similarity, which I do not consider to be warranted. It is undoubtedly right to stress the importance of the fact that customers may think that responsibility for the goods lies with the same undertaking. However, it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together. I therefore think that in this respect, the Hearing Officer was taking too rigid an approach to Boston”.

27) In taking all the above into account it seems obvious to me that the following services of the opponent encompass those of the applicant. This was put to the applicant at the hearing and the applicant agreed that the services of the two parties were identical. For the sake of completeness I include the table below.

Applicant’s services	Opponent’s services	
Advertising and advertisement services; Advertising agency services; Advertising particularly services for the promotion of goods; Advertising via electronic media and specifically the internet; Advertising services provided via the internet; Advertising services for the promotion of e-commerce;	Advertising; advertising and advertisement services.	Identical
Advertising and marketing; Advertising and marketing services;	Advertising; advertising and advertisement services.	Identical
Advertising and promotion services and related consulting; Advertising and publicity;	Advertising; advertising and advertisement services.	identical
Provision of space on web sites for goods advertising and services;	Advertising; advertising and advertisement 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	identical

	the sale of goods and services by others via a computer network;	
Advertising and business services;	Advertising; advertising and advertisement services. business management; business administration; office functions	Identical
Advertising and commercial information services, via the internet.”	Advertising; advertising and advertisement services. 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;	identical


28) It was agreed by the applicant, at the hearing, that the above table is correct and that the class 35 specifications of the two parties are identical.

Comparison of trade marks

29) 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 them, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

30) It would be wrong, therefore, artificially to dissect the trade marks, although, it is necessary to take into account their distinctive and dominant components and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by them. The trade marks to be compared are:

Opponent's trade mark	Applicant's trade mark
	SocialBay

31) The applicant contended that the dominant element of its mark is the first element, and they pointed out, and the opponent accepted, that the first element is “the more important one”. Therefore, the applicant argued ““social" is the dominant element, and the average consumer is much more likely to place emphasis on that than on the word "bay" at the end. The applicant also contended that the word “Bay” has a number of meanings many of which indicate an area, such as a loading bay or a service bay and, “therefore, to the average consumer, when they see the word "bay" in this context, they know it is a qualifier upon the first element. So, it is qualifying what goes before it. It is a social bay, it is a social area, or it is a social aspect to it.”

32) The applicant disputes the opponent's claim that the letter “e” in its marks would be viewed as simply meaning “electronic” and claimed that if someone stated that they purchased an item off “Bay” the average consumer would not immediately assume that they meant “eBay”. As Mr Moss stated “It is quite clear that the "e", whilst it may be a short letter and a short sound, still has been important part in that mark”. He also commented that the mark in suit has three syllables against the two of the opponent's marks, where the word “Social” is the “dominant element and the "bay" just falls off at the end. Compare that, of course, to eBay, where because "e" is the small letter at the front, the "bay" element becomes much more distinctive in their instance than in ours”.

33) Mr Moss also contended that:

“Conceptually, again, I accept my learned friend's concession that they cannot advance an argument on conceptual difference, whereas we can. As, again, we said in the statement of grounds and in my skeleton argument, we say that it conveys some level of social interaction. "Social" gives some level of connotation to people, particularly in relation to advertising services.

You have social media, et cetera. So, there is some conceptual importance attached to the word "social", in this context that the average consumer will rely upon. We are not saying it is a very high level of conceptual importance, but nevertheless it is still there and it is just something else that gets thrown into the mix."

34) To my mind, the respective marks are visually similar only to the somewhat limited extent that they end in the word BAY. There is no similarity between the first part of the marks, 'E' and 'SOCIAL'. Therefore there is only a low degree of visual similarity between the opponent's mark and the mark in suit. Aurally, the first parts of the two marks are not similar whilst they share identical endings (SO-SHALL BAY v. EE-BAY). There is therefore a low degree of aural similarity between the marks when compared as wholes. I accept the contention of Mr Roughton that the 'e' in ebay stands for electronic. In the context of the online interactive services for which the mark is registered, I find that that would be the likely reaction of an average consumer of those services. The word "SOCIAL" has a well-known meaning such that it does not require explanation and has a different meaning to that conveyed by the 'e' in ebay (electronic). The word that is common to the parties' marks (BAY) has a number of well-known meanings, the most obvious ones being a body of water partially enclosed by land but giving access to the sea, or a storage area, such as a loading bay. Whichever meaning is given to the word BAY in the marks at issue, it is liable to be given the same meaning in ebay's mark as it is in the applicant's mark. Therefore a word making up one part of the respective marks has the same meaning, but other parts of the marks have different meanings. In *Usinor SA v OHIM*, Case T-189/05, the General Court 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)."

35) Clearly, I must give the appropriate weight to the conceptual similarity / differences between the marks. The presence of the well-known word "BAY" provides an immediate noticeable level of similarity, and means that the marks are conceptually similar to at least a low degree.

36) I note that the opponent's mark is in a particular colour scheme and that its use is also in the same colour scheme. However, there is no colour limitation on the opponent's mark and neither is there any limitation upon the mark in suit which means that the applicant would be free to use its mark in the same colour scheme should it chose to do so. **I therefore find that overall, there is a low degree of similarity between the marks.**

Distinctive character of the earlier trade mark

37) In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV*, Case C-342/97 the CJEU stated that:

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

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

38) Earlier in this decision I accepted that the letter “e” in “ebay” would be seen as standing for “electronic” and therefore descriptive in relation to online commerce. However, to my mind, the term “ebay” as a whole has a high degree of inherent distinctiveness for the advertising services shown at paragraph 27 above. It is accepted that the opponent has used its mark in respect of an online

auction and selling site and the applicant earlier accepted (see paragraph 27) that these were identical to advertising services. The opponent has a huge reputation for its online trading website.

39) In *Kurt Geiger v A-List Corporate Limited (BL O-075-13)*, Mr Iain Purvis Q.C. as the Appointed Person pointed out that the level of 'distinctive character' is only likely to increase the likelihood of confusion to the extent that it resides in the element(s) of the marks that are identical or similar. He said:

"38. The Hearing Officer cited *Sabel v Puma* at paragraph 50 of her decision for the proposition that 'the more distinctive it is, either by inherent nature or by use, the greater the likelihood of confusion'. This is indeed what was said in *Sabel*. However, it is a far from complete statement which can lead to error if applied simplistically.

39. It is always important to bear in mind what it is about the earlier mark which gives it distinctive character. In particular, if distinctiveness is provided by an aspect of the mark which has no counterpart in the mark alleged to be confusingly similar, then the distinctiveness will not increase the likelihood of confusion at all. If anything it will reduce it.'

40. In other words, simply considering the level of distinctive character possessed by the earlier mark is not enough. It is important to ask 'in what does the distinctive character of the earlier mark lie?' Only after that has been done can a proper assessment of the likelihood of confusion be carried out".

40) In my opinion, the average consumer would view the opponent's mark "ebay" as a single word, despite recognising that it is composed of the letter "e" and the word "bay". The word BAY is therefore a recognisable and distinctive part of the word mark, although not one that has an 'independent' role within the mark ebay in the sense described in *Medion*. **To my mind, the earlier mark has a very high degree of inherent distinctiveness, and it benefits from an enhanced distinctiveness in regard to its online trading services which were agreed to be identical to advertising services.**

Likelihood of confusion

41) In determining whether there is a likelihood of confusion, a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the

respective trade marks may be offset by a greater degree of similarity between the respective services and vice versa. As I mentioned above, it is also necessary for me to keep in mind the distinctive character of the opponent's trade mark as the more distinctive this trade mark is, the greater the likelihood of confusion. I must also keep in mind the average consumer for the services, the nature of the purchasing process and the fact 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.

42) Earlier in this decision, I concluded that:

- the average consumer is a member of the general public (including businesses), who will select the services by predominantly visual means, although not discounting aural considerations and that they will pay at least an average degree of attention to the selection of such items.
- the opponent's mark has a very degree of inherent distinctiveness, and it benefits from an enhanced distinctiveness in regard to its online trading services which were agreed to be identical to advertising services..
- the services of the two parties in class 35 are identical.
- the marks of the two parties have a low degree of similarity.

43) In view of the above, and allowing for the concept of imperfect recollection, there is, in my opinion, a likelihood of consumers being confused into believing that the services applied for under the mark in suit and provided by the applicant are those of the opponent or provided by some undertaking linked to it. I can easily envisage that consumers will think that SocialBay is an offshoot of eBay but with a specifically social objective or dimension to its normal purely commercial services, and there is therefore a risk that the public may believe that the services originate from the same undertaking (paragraph 17 (k) above). **The opposition under Section 5(2) (b) therefore succeeds in full.**

44) I now turn to the other ground of opposition which is under section 5(3) which 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 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.”

45) 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, *Addidas-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; *Addidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

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

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

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

46) The onus is upon an opponent to prove that, at the relevant date (25 May 2015) its earlier trade mark enjoyed a significant reputation or public recognition and it needs to furnish the evidence to support this claim. In its counterstatement the applicant accepted that the opponent had reputation in the "provision of services for being an online marketplace selling third party products, i.e. as an intermediary or online auction house". The applicant relied upon the decision by Ms Michaels as the Appointed Person in *Metro O-249-15* to reinforce its contention that the provision of advertising space in a newspaper was not similar to offering advertising services. However, in this decision the learned

Appointed Person found that there was a moderate degree of similarity between advertising and newspapers. I earlier found that the opponent has a huge reputation for its online trading services which is likely to spill over to similar or identical services such as those set out in paragraph 27 which the applicant accepted. **To my mind, the evidence shows that the opponent has a huge reputation for online interactive services through which third party goods of all kinds can be posted, promoted, bought and sold. Initially these were via auction but more recently has included fixed priced goods.**

47) I must next determine whether a significant section of the relevant public, made up of average consumers would call to mind the earlier “ebay” mark if confronted with the mark in suit in relation to advertising services in May 2015. Earlier in this decision I found that the marks of the two parties are similar to a low degree and that the opponent’s mark has a high degree of inherent distinctiveness. Further, in respect of the services for which it is known (see previous paragraph) it has a substantial if not huge reputation. In 2014 sales from the website in the UK amounted to USD\$ 15 billion (thousand million) and the site was the seventh most visited website in the UK. I take note that both marks have as their second element the word “BAY” which appears to have no connection to the first element of either mark (“SOCIAL” or “E”). Taking all these aspects into account I reach the conclusion that a significant section of the relevant public would have called “ebay” to mind if they came across the mark “SocialBay” in relation to advertising services.

UNFAIR ADVANTAGE

48) Having determined that a link would occur I now have to consider whether such a link would have given an unfair advantage to the applicant’s mark or whether it would have been detrimental to the reputation of the “ebay” mark. In considering this issue I take into account the comments of Arnold J. in *Jack Wills Limited v House of Fraser (Stores) Limited* [2014] EWHC 110 (Ch) where he 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 Court of Justice in *Environmental Manufacturing* in the following passage:

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

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

49) I also take into account the case of *Mäurer + Wirtz GmbH & Co KG v OHIM*, Case T-63/07, where the General Court held that:

“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).”

50) I must therefore consider whether the link I identified earlier would be likely to affect the economic behaviour of the applicant's customers or potential customers and as a result of the link the applicant will sell more of its services as a result. It is clear that, prior to the relevant date (25 May 2015) the opponent has a substantial or huge reputation for providing a platform for third parties to sell goods on-line by auction and also for a fixed price. Whilst the goods are selected and shipped by the third parties rather than by the opponent, the opponent does provide the protection of an arbitration service. To my mind, the average consumer will believe that the parties are economically linked and conclude that the applicant is the opponent, or at least an arm of the opponent dealing with

advertising services for its on-line retailers. Use of the mark in suit by the applicant will take unfair advantage of the repute of the opponent's mark.

51) I must consider whether the applicant had due cause to adopt the mark in suit. In *Leidseplein Beheer BV v Red Bull*, Case C-65/12, the CJEU held that:

“43. In a system for the protection of marks such as that adopted, on the basis of Directive 89/104, by the Benelux Convention, however, the interests of a third party in using, in the course of trade, a sign similar to a mark with a reputation must be considered, in the context of Article 5(2) of that directive, in the light of the possibility for the user of that sign to claim ‘due cause’.

44. Where the proprietor of the mark with a reputation has demonstrated the existence of one of the forms of injury referred to in Article 5(2) of Directive 89/104 and, in particular, has shown that unfair advantage has been taken of the distinctive character or the repute of that mark, the onus is on the third party using a sign similar to the mark with a reputation to establish that he has due cause for using such a sign (see, by analogy, Case C-252/07 *Intel Corporation* [2008] ECR I-8823, paragraph 39).

45. It follows that the concept of ‘due cause’ may not only include objectively overriding reasons but may also relate to the subjective interests of a third party using a sign which is identical or similar to the mark with a reputation.

46. Thus, the concept of ‘due cause’ is intended, not to resolve a conflict between a mark with a reputation and a similar sign which was being used before that trade mark was filed or to restrict the rights which the proprietor of that mark is recognised as having, but to strike a balance between the interests in question by taking account, in the specific context of Article 5(2) of Directive 89/104 and in the light of the enhanced protection enjoyed by that mark, of the interests of the third party using that sign. In so doing, the claim by a third party that there is due cause for using a sign which is similar to a mark with a reputation cannot lead to the recognition, for the benefit of that third party, of the rights connected with a registered mark, but rather obliges the proprietor of the mark with a reputation to tolerate the use of the similar sign.

47. The Court thus held in paragraph 91 of the judgment in *Interflora and Interflora British Unit* (a case concerning the use of keywords for internet referencing) that where the advertisement displayed on the internet on the basis of a keyword corresponding to a trade mark with a reputation puts forward – without offering a mere imitation of the goods or services of the proprietor of that

trade mark, without being detrimental to the repute or the distinctive character of that mark and without, moreover, adversely affecting the functions of the trade mark concerned – an alternative to the goods or services of the proprietor of the trade mark with a reputation, it must be concluded that such a use falls, as a rule, within the ambit of fair competition in the sector for the goods or services concerned and is thus not without ‘due cause’.

48. Consequently, the concept of ‘due cause’ cannot be interpreted as being restricted to objectively overriding reasons.

52) The evidence is clear that the applicant has traded since 2012 as “SOCIAL BILLBOARD”. It is stated that it was always the intention of the applicant to shorten its brand name. However, no explanation is provided as to how it managed to shorten the second element of its mark from BILLBOARD to BAY. To my mind, BAY is not a natural shortening of the term BILLBOARD. The usual English term for a “billboard” is the word “hoarding”, however this is scarcely shorter. The claim that the mark in suit is simply a shortening of the original name of the company defies logic. The most obvious term to describe what the applicant does would be the term “Ads” as in advertising/ advertisements. The only reason that the applicant would adopt the term “BAY” would seem to be to associate itself with the opponent. **The ground of opposition under section 5(3) therefore succeeds.**

CONCLUSION

53) The opposition has been successful in respect of Section 5(2) (b) and section 5(3). I therefore decline to consider the ground of opposition under section 5(4)(a). The application is refused.

COSTS

54) As the opponent has been successful it is entitled to a contribution towards its costs. The applicant requested costs off the normal scale whether it won or not as it stated that it had to undertake additional effort in considering exhibits which were not referred to at the hearing or which were irrelevant such as use after the relevant date and use in other jurisdictions. Whilst I accept some of the opponent’s evidence fell into these categories it was not oppressive in terms of scale and only related to a small amount of evidence.

Expenses	£200
Preparing a statement and considering the other side's statement	£200
Preparing evidence and considering the evidence of the other side	£500
Preparing for and attending the hearing	£1200
TOTAL	£2,100

55) I order Social Billboard Ltd to pay Ebay Inc. the sum of £2,100. This sum 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 25th day of October 2016

George W Salthouse
For the Registrar,
the Comptroller-General