

**THE TRADE MARKS ACT 1994**

**IN THE MATTER OF  
TRADE MARK APPLICATIONS Nos. 2475770 & 2460889  
IN THE NAME OF PRESCRIPTION MARKETING LTD**

**AND IN THE MATTER OF  
CONSOLIDATED OPPOSITIONS THERETO UNDER Nos. 97017 and 97478  
BY EBAY INC**

**AND IN THE MATTER OF  
AN APPEAL TO THE APPOINTED PERSON  
BY THE APPLICANT  
AGAINST THE DECISION OF MR. OLIVER MORRIS  
DATED 23 MARCH 2011**

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**DECISION**

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**Introduction**

1. This is an appeal against a decision of Mr. Oliver Morris, the Hearing Officer acting for the Registrar, dated 23 March 2011, BL O/111/11, in which he upheld consolidated oppositions brought by eBay Inc against registration in Classes 35 and 36 of Trade Mark Applications numbers 2475770 and 2460889 in the name of Prescription Marketing Limited.
2. The Hearing Officer referred to eBay Inc as “eBay” and Prescription Marketing Limited as “PM”. I shall do the same.
3. On 9 July 2007, PM applied under number 2460889 for registration of the designation vbay for use in the United Kingdom as a trade mark 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

4. On 22 December 2007, PM filed in respect of the same services a further application under number 2475770 for the figurative trade mark shown below:



5. Following the publication in the Trade Marks Journal of PM's applications on 28 March 2007 (2460889) and 1 February 2008 (2475770), eBay filed notices of opposition and statements of grounds on 30 June 2008 and 1 May 2008 respectively.
6. The grounds of opposition were under Section 5(2)(b) and 5(3) of the Trade Marks Act 1994. eBay alleged that vbay and V+ vbay figurative must be refused registration for the services applied for because:
  - (i) vbay and V+ vbay figurative were similar to eBay's earlier trade marks, were to be registered for similar services and there existed a likelihood of confusion on the part of the public including the likelihood of association with eBay's earlier trade marks (Section 5(2)(b));
  - (ii) eBay's earlier trade marks had reputation and use of PM's marks applied for without due cause would take unfair advantage of, or be detrimental to the distinctive character or the repute of the earlier trade marks (Section 5(3)).
7. eBay relied on one earlier Community trade mark ("CTM") for the figurative word ebay, three CTMs and one UK trade mark registration for the word EBAY and one CTM for the figurative words ebay express. For convenience, these are set out at Appendix A to my decision.
8. The Registry consolidated the oppositions.
9. eBay later decided to withdraw their oppositions in Class 44. The applications were divided and vbay and V+ vbay figurative proceeded to registration in Class 44: vbay was registered on 6 May 2011 under number 2460889B; V+ vbay figurative was registered on 6 May 2011 under number 2475770B.
10. For the avoidance of doubt, the Hearing Officer's decision on the consolidated oppositions and the present appeal relate only to PM's applications numbers 2460889A and 2475770A for services in Classes 35 and 36.
11. Both sides filed evidence and written arguments/submissions but since neither party requested a hearing, the Hearing Officer decided the consolidated oppositions on the basis of the papers before him.

## **The Hearing Officer's decision**

12. The Hearing Officer's findings were as follows:

### *Proof of use*

- (a) All but one (ebay express figurative) of eBay's earlier trade marks were subject to the proof of use provisions in Section 6A of the Act. Nothing showed use for services specifically directed to the sale/trade of veterinary goods, as demanded by PM. Nevertheless, it was clear from the evidence (and a notorious fact) that the goods sold on the eBay website were vast and varied. The specifications claiming online trading type services at large (which were the only parts of the earlier registrations that were relevant to the oppositions) would be taken into account as they stood (i.e. without limitation).
- (b) Relevantly, the same outcome would have resulted had PM demanded full proof of use (i.e. the specifications covering online trading type services would have been taken into account in the oppositions as they stood).
- (c) The use established related to not only the figurative word trade mark ebay (coloured in use) but also the word trade marks EBAY, which could equally be relied upon.

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

#### *Average consumer*

- (d) The average consumer of PM's services was veterinary professionals or other professionals likely to use laboratory equipment. While the goods themselves might be purchased with more caution/a high degree of consideration, the service provider though important was not so significant. A reasonable degree of care and attention would be directed to the use of the services (as opposed to the goods themselves). Since all of the services were supplied online the visual impressions of the marks would be central although aural similarity would not be ignored in the analyses.

#### *Identity/similarity of services*

- (e) eBay's earlier EBAY word trade marks covered "online trading services" and "providing an online, interactive bulletin board for the posting, promotion, sale and resale of items via a global computer network" in Class 35. PM's services in Class 35 although limited to the sale of veterinary equipment and laboratory equipment fell within the general terms of the EBAY specifications in Class 35 and the respective services were identical. What was important were the notional uses to which the respective marks could be put within the scope of the specifications as registered and as applied for, not the actual uses of the parties at the time. Even if the Hearing Officer was wrong and there was: "some form of distinction between a specific service for the sale of particular goods [PM] and an unspecific service which could nevertheless include the sale of such goods [eBay]", the Class 35 services would still be similar to a reasonably high degree.

- (f) PM's online financial services in Class 36 would include those for facilitating electronic online payments, which were complementary to online trading services in Class 35. PM's online financial services in Class 36 therefore bore a reasonable degree of similarity to eBay's online trading services in Class 35.
- (g) Furthermore, eBay's earlier trade mark for ebay express figurative (not subject to the proof of use conditions) covered electronic payment services in Class 36 which were identical to PM's services in Class 36.

*Similarity of marks*

- (h) eBay's best case lay with their word marks EBAY. First, comparing vbay and EBAY, overall the marks were reasonably similar:

“36) ... 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.”

- (i) Second, comparing V+ vbay figurative and EBAY, there was a more modest level of similarity:

“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 earlier marks*

- (j) The distinctiveness of EBAY was of the highest degree not only inherently (because it was an invented word) but also factually (through use). Few people in the UK would not know of the EBAY marks.

*Likelihood of confusion*

- (k) Globally assessed, there was a likelihood of direct confusion or at least indirect confusion between EBAY and vbay and EBAY and V+ vbay in relation to the services in Class 35 which were identical/highly similar:

"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 confusion. 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.”

- (l) As regards PM’s Class 36 services, given the complementary relationship between online payment services and the Class 35 services in the earlier EBAY trade marks, the above factors applied and there was a likelihood of confusion.

*ebay express fig.*

- (m) In any event, PM’s Class 36 services were identical/highly similar to those covered by the ebay express figurative registration with which there was a likelihood of indirect 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.”

*Conclusion*

- (n) The opposition succeeded under Section 5(2)(b).

Section 5(3)

*Reputation*

- (o) The EBAY earlier trade marks (word only and stylised) were possessed of the requisite reputation in respect of eBay’s online trading services at the respective dates of PM’s applications.

*Link*

- (p) Globally assessed a link would be made:

“51) ... 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.”

*Unfair advantage*

- (q) The link would likely enable without due cause unfair advantage to be taken of the reputation of eBay’s earlier trade marks:

“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."

*Due cause*

- (r) There was no defence of due cause:

"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."

### *Conclusion*

- (s) The opposition also succeeded under Section 5(3).

### Costs

- (t) Costs would be awarded on the normal scale. PM would be ordered to pay eBay the sum of £2000 as a contribution towards eBay's costs of the consolidated oppositions, which had been successful.

### **The appeal**

13. On 18 April 2011, PM filed Notice of Appeal to an Appointed Person under Section 76 of the Act. At the hearing of the appeal before me, PM was represented by its Director, Jeremy Johnson. Jeffrey Parker of Jeffrey Parker and Company, trade mark attorneys, appeared on behalf of eBay.
14. I should mention that with my papers for the appeal, I received copies of correspondence<sup>1</sup> between the parties and the Treasury Solicitor relating to the appeal. Mr. Johnson submitted skeleton arguments and, after the hearing, comments on the transcript of the hearing. I have taken all these into account.
15. There was no cross appeal and no skeleton argument on behalf of eBay.

### **Standard of review**

16. This appeal is by way of review and not re-hearing and the approach I should follow was set out by Robert Walker L.J. in *REEF Trade Mark* [2003] RPC 101 at pages 109 – 110:

“In this case the hearing officer had to make what he himself referred to as a multi-factorial comparison, evaluating similarity of marks, similarity of goods and other factors in order to reach conclusions about likelihood of confusion ... It is not suggested that he was not experienced in this field, and there is nothing in the Civil Procedure Rules to diminish the degree of respect which has traditionally been shown to a hearing officer's specialised experience ... On the other hand the hearing officer did not hear any oral evidence. In such circumstances an appellate court should in my view show a real reluctance, but not the very highest degree of reluctance, to interfere in the absence of a distinct and material error of principle.”

17. I explained to Mr. Johnson (who was acting for PM without legal representation) that this meant that I could only reverse the Hearing Officer's decision if it contained a distinct and material error of principle, or was clearly wrong. It was not open to me to look at the case again from scratch in the absence of such an error.

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<sup>1</sup> Including a book *TREASURE ISLANDS, TAX HAVENS AND THE MEN WHO STOLE THE WORLD*, Nicholas Shaxson.

## **Side issues**

18. In the correspondence and during the hearing, Mr. Johnson raised several concerns, which I find convenient to deal with before the main appeal.

### *No ex officio examination on relative grounds*

19. First, Mr. Johnson lamented that PM's applications were not dealt with under the old procedure whereby the Registry undertook an examination on relative grounds (i.e. for conflict with earlier trade marks). That way he could have sorted out any relative objections with the Registry and if necessary gone to appeal, and the Registry would not have notified PM's applications to eBay. Mr. Parker commented that even if the old procedure had applied and PM's applications survived relative examination by the Registry, eBay would have picked them up on publication through their watching service and opposed the applications.
20. The requirement for the Registry to examine a trade mark application for registrability on the relative grounds for refusal of registration in Section 5 of the Act was removed by The Trade Marks (Relative Grounds) Order 2007. Henceforth, the Registry would merely conduct a search of earlier trade marks for the purpose of notifying the applicant and other persons about the existence of earlier trade marks that might be relevant to the proposed registration but otherwise must be raised on opposition.
21. The transitional arrangements were that the new procedure would apply to all applications that were published in the Trade Marks Journal on or after the coming into force of the Order on 1 October 2007.
22. Although PM's applications were filed before the coming into force of the Order, they were published in the Trade Marks Journal after 1 October 2007: 2475770 (V+ vbay fig.) was published on 1 February 2008; 2460889 (vbay) was published on 28 March 2008.
23. PM was notified of the results of the search by the Registry and provided with an opportunity to object to eBay being notified of the applications, which objections were not, accepted leading to eBay being notified of the applications when they were published.
24. Contrary to Mr. Johnson's perceptions, the Registry had no choice in whether to apply the old or the new procedure to PM's applications. Since those applications were unpublished before the Order came into force on 1 October 2007, Article 6 of the Order obliged the Registry to treat the applications as governed by the new procedure.
25. In short, PM's applications were treated in the same way as other transitional trade mark applications, fairly and in accordance with the terms of the law.

### *Consent to act*

26. At several points during the proceedings including on appeal, Mr. Johnson requested to see consent to act forms signed by eBay authorising Jeffrey Parker and Company to act as representatives on their behalf.

27. These requests were seemingly prompted by a request for an extension of time by eBay wherein a change in firms of instructing US lawyers was given as one reason for the delay.
28. Jeffrey Parker and Company confirmed in a letter to the Treasury Solicitor dated 24 August 2011 that they were at all times instructed by eBay in these proceedings albeit receiving instructions via eBay's US lawyers, Howrey LLP, and then on that firm's dissolution, Pillsbury Winthrop Shaw Pittman LLP<sup>2</sup>. As the Hearing Officer noted at paragraph 62 of his decision such arrangements are not unusual in international trade mark matters.
29. There is no requirement under the UK Act or Rules for a representative to file an authorisation to act. Section 82 merely provides that: "... any act required or authorised by this Act to be done by or to a person in connection with the registration of a trade mark, or any procedure relating to a trade mark, may be done by an agent authorised by that person orally or in writing".
30. An agent impliedly warrants that they have authority to act on behalf of their principal and can be sued for breach of warranty should that turn out to be untrue (*Yonge v. Toynbee* [1910] 1 KB 215, *Penn v. Bristol and West Building Society* [1997] 3 All ER 470).
31. However, I have seen nothing on the file to suggest that authority was lacking in Jeffrey Parker and Company as representatives for eBay; indeed, exactly the opposite since the evidence filed by Jeffrey Parker and Company in support of the consolidated oppositions includes a witness statement of Mike M. Yaghmai, Senior Director and Counsel – Intellectual Property of eBay, dated 16 December 2009.

#### Nature of the present proceedings

32. Third, I should make clear that these opposition proceedings are concerned *only* with whether PM's applications to register the designations vbay and V+ vbay respectively for use as trade marks in relation to services in Classes 35 and 36 must be refused registration under the provisions of Section 5 of the Act because of the existence of conflicting earlier trade marks in the ownership of eBay.
33. Whatever the final outcome, nothing in these proceedings prevents PM generally from operating a business in the supply of online trading and financial services. Instead, what is at stake here is PM's choice of names under which to offer those services.

#### Grounds of appeal

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

34. As I understood it, the main ground of appeal was that the Hearing Officer wrongly identified the relevant consumer by which to judge the likelihood of confusion. The target audience for PM's services in Classes 35 and 36 was veterinary surgeons who

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<sup>2</sup> It appears from the request for an extension of time that Jeffrey Parker and Company originally obtained their instructions via Cooley Godward Kronish LLP.

were well able to differentiate between the trade marks and would not be confused. The average consumer was irrelevant.

35. Mr. Johnson referred me to Section 19 of the Veterinary Surgeons Act 1966 which at sub-section (1) provides that: "... no individual shall practise veterinary surgery ... unless he is registered in the register of veterinary surgeons ..."
36. The Royal College of Veterinary Surgeons gives the following guidance:

"The Veterinary Surgeons Act 1966 (Section 19) provides, subject to a number of exceptions, that only registered members of the Royal College of Veterinary Surgeons may practise veterinary surgery. 'Veterinary surgery' is defined within the Act as encompassing the 'art and science of veterinary surgery and medicine' which includes the diagnosis of diseases and injuries in animals, tests performed on animals for diagnostic purposes, advice based upon a diagnosis and surgical operations which may not necessarily form part of a treatment. These restrictions are in the interests of ensuring that animals are treated only by people qualified to do so."<sup>3</sup>
37. Mr. Johnson's point was that it was inconceivable that veterinary surgeons, who were highly skilled and used to seeing subtle commercialised branding on packs, would fail to distinguish between the letters "v" and "e" in the respective trade marks especially in the case of the figurative mark V+ vbay.
38. First, it struck me that Mr. Johnson may not fully have appreciated that the Hearing Officer was using the term "average consumer" in a legal rather than colloquial sense.
39. The "average consumer" in trade marks law is a notional person who is deemed to be reasonably well-informed and reasonably observant and circumspect (Case C-210/96, *Gut Springenheide and Tusky* [1998] ECR I-4657, para. 31). He is fashioned according to the market sector for the goods or services concerned. His level of attention may vary according to the category of goods or services in question. Further, the average consumer rarely has the chance to make a direct comparison between the different marks but must place his trust in the imperfect picture of them that he has kept in his mind (Case C-342/97, *Lloyd Schuhfabrik Meyer & Co. GmbH v. Klijsen Handel BV* [1999] ECR I-3819, para. 26).
40. The Hearing Officer accepted that the average consumer was veterinary professionals. However, he rightly in my view drew a distinction between uses of the services applied for in Classes 35 and 36 and purchases of the goods themselves viz. veterinary equipment and laboratory equipment. Whilst a high degree of attention might be expected to be devoted to the goods that the purchaser was buying (i.e. the equipment – for which registration of PM's marks was neither sought or in issue) uses of the services were neither more highly considered nor less highly considered than the norm.

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<sup>3</sup> <http://www.rcvs.org.uk/advice-and-guidance/guide-to-professional-conducts-for-veterinary-surgeons/2f-treatment-of-animals-by-non-veterinary-surgeons/> The exceptions relate in the main to veterinary students, veterinary nurses, physiotherapists, osteopaths and chiropractors.

41. Furthermore, the Hearing Officer gave consideration to PM’s contention that veterinary surgeons would not fail to distinguish between the marks. In that case, even though direct confusion might be avoided, bearing in mind the degree of similarity in the marks (particularly the dominant vbay element), the closeness of the services and the distinctiveness of EBAY, there remained the likelihood of indirect confusion i.e. that the consumer would mistakenly believe that services offered under vbay/V+ vbay marks originated from the same or an economically linked undertaking of eBay.
42. The Hearing Officer held that the requirements of Section 5(2)(b) were made out having globally assessed the likelihood of confusion on the part of the public within the meaning of that concept as explained by the Court of Justice of the EU in the well-known cases to which the Hearing Officer referred at paragraphs 22 – 23 of his decision<sup>4</sup>. In so doing, he followed the guidance laid down in those cases and other relevant decisions of the EU and UK courts and I have been unable to detect any material error of principle in his approach.
43. Second, Mr. Johnson seemed to be under a misapprehension as to the specifications of services applied for in Classes 35 and 36. Mr. Johnson contended that these were limited to “veterinary diagnostic and laboratory equipment” (i.e. all equipment qualified by “veterinary”) whereas as I pointed out to Mr. Johnson at the hearing, the application Forms TM3 signed by Mr. Johnson on behalf of PM requested registration for the services stated at paragraph 3 above (i.e. as regards Classes 35 and 36, services relating to “veterinary equipment *and* laboratory equipment” (emphasis added)).
44. The Hearing Officer rightly held that the two types of equipment could be different and that the average consumer for the services therefore included not only veterinary professionals but also other professionals likely to use laboratory equipment.
45. In fact the addition of the latter had little or no effect on the outcome under Section 5(2)(b), since the Hearing Officer found that there was a likelihood of indirect confusion even accepting PM’s argument that the average consumer (including other professionals likely to use laboratory equipment) would not confuse the marks.
46. Third, PM argued that there was no likelihood of confusion because eBay does not have a veterinary section for the sale of/trade in veterinary goods on their UK website.
47. Mr. Parker commented that the Hearing Officer apparently overlooked pages E139 – E142 of Exhibit E to the witness statement of Mike M. Yaghmai dated 16 December 2009, which displays veterinary items for sale/bidding on [www.ebay.co.uk](http://www.ebay.co.uk). I accept Mr. Parker’s criticism.

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<sup>4</sup> *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). The Hearing Officer also correctly referred to *British Sugar Plc v James Robertson & Sons Limited* [1996] RPC 281, *Beautimatic International Ltd v. Mitchell International Pharmaceuticals Ltd* [2000] FSR 267 and *Gérard Meric v Office for Harmonization in the Internal Market (Trade Marks and Designs)(OHIM)*, Case T-133/05 as regards similarity between services.

48. However, be that as it may, Mr. Johnson put that argument to the Hearing Officer who explained in his decision that what counted for the relative grounds for refusal of registration were the notional uses to which the respective services might be put (see amongst others, *Och-Ziff Management Europe Limited v. Och Capital LLP* [2010] EWHC 2599 (Ch), para. 76). eBay's Class 35 services covered online trading services at large, which could include facilitating the sale of/trade in veterinary items. The services were therefore overlapping. If on the other hand there was "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" the Class 35 services were highly similar.
49. Mr. Johnson suggested that eBay may be prevented in law from facilitating the sale of/trade in veterinary equipment. As I mentioned, Mr. Johnson referred me to Section 19 of the Veterinary Surgeons Act 1966, which restricts the practice of veterinary surgery by unqualified persons. However, I was not directed to anything in the evidence or correspondence to support Mr. Johnson's wider suggestion. In any event, there remained the issue of laboratory equipment, which is not restricted in the application to veterinary laboratory equipment.
50. In conclusion, I have found no material error of principle in the Hearing Officer's deliberations under Section 5(2)(b) and PM's appeal against that part of the decision has failed.

### Section 5(3)

51. In relation to Section 5(3), the grounds of appeal made two points. First, the Hearing Officer failed correctly to apply the decision of the Court of Justice of the EU in Case C-252/07, *Intel Corporation Inc. v CPM United Kingdom Ltd* [2008] ECR I-8823. Second, PM had supplied explanations for its adoption of vbay.
52. Regarding *Intel*, Mr. Johnson complained that eBay had not complied with the Hearing Officer's request for evidence demonstrating how eBay would lose business.
53. I explained to Mr. Johnson that three types of harm to an earlier mark with reputation are protected against under Section 5(3): first, detriment to the distinctive character of the earlier mark; second, detriment to the reputation of that mark; and third, unfair advantage taken of the distinctive character or the repute of that mark. *Intel* confirms that just one of those three types of injury suffices for Section 5(3) to apply (paras. 26 – 27).
54. In the Notices of opposition and statements of grounds, eBay alleged:

"People on seeing the mark applied for will immediately connect it with the Opponent's mark, one of the most famous in the UK, and see it as V for "veterinary" and "BAY" from EBAY meaning veterinary products and services from an online trading system similar to EBAY. It would take unfair advantage of the colossal reputation of EBAY and be detrimental to its reputation."

55. The Hearing Officer observed in his decision that although eBay also pleaded that PM's marks would be detrimental to its reputation, the strongest pleading related to the taking without due cause of an unfair advantage. The Hearing Officer did not in fact decide the question of detriment to reputation (as he said often referred to as "tarnishing") presumably for the very reason that eBay had not provided the requisite proof of a serious risk of such damage occurring. I agree with Mr. Johnson's that this could have better been explained by the Hearing Officer. However, infelicitous drafting is insufficient reason for me to interfere with the Hearing Officer's decision.
56. Instead the Hearing Officer held that there was a likelihood of Section 5(3) injury because advantage of eBay's reputation would without due cause unfairly be taken. For this head of injury there is no additional need for an earlier mark owner to show that use of the mark applied for would be detrimental either to the distinctive character or to the repute of the earlier mark, or more generally the owner. Rather enquiry focuses on the alleged unfair advantage taken by the applicant for registration judged by reference to the applicant's customers (*Case C-487/07, L'Oréal SA v. Bellure NV* [2009] ECR I-5185, para. 43). I do not, therefore, accept Mr. Johnson's criticism that the Hearing Officer overlooked the *Intel* case<sup>5</sup>.
57. Finally, Mr. Johnson said that he got the final letter "y" in "vbay" from Yell.com and told the Hearing Officer this on receiving the Hearing Officer's decision. Mr. Johnson was particularly referring to the Hearing Officer's discussion at paragraph 57 of the decision:
- "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. Mr. Parker directed me to his second witness statement dated 21 June 2010. His searches conducted on the Google search engine against "veterinary business advertising" had produced no results. Further the main acronym dictionaries gave no definition for "V.B.A" which equated with veterinary business advertising (although other meanings were listed).
59. In my judgment, PM's case is not advanced by the Yell.com explanation and that given the circumstances the Hearing Officer was entitled to find that advantage would unfairly be taken if PM's marks were registered for use in Classes 35 and 36. The appeal is also unsuccessful in relation to the Hearing Officer's decision under Section 5(3).

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<sup>5</sup> The Hearing Officer cited *Intel* at paragraph 50 of his decision in relation to the factors to consider when assessing whether a link would be made between the respective marks (i.e. the second of the three conditions of Section 5(3): reputation, a link and one of the three heads of damage).

## **Conclusion and costs**

60. In the result PM's appeal has failed.
61. Mr. Parker sought to argue for the first time at the appeal hearing that the Hearing Officer should have awarded eBay indemnity costs. I refused to entertain any such argument not least because eBay had not entered a cross appeal.
62. I also refused to grant eBay costs off the normal scale in respect of the appeal. PM had not acted unreasonably in pursuing its appeal. eBay originally indicated that they would not attend the hearing and although in the event represented by Mr. Parker submitted no skeleton argument.
63. The Hearing Officer ordered PM to pay to eBay the sum of £2000 as a contribution towards eBay's costs of the opposition.
64. That order stands and I will order that PM pay to eBay the further sum of £250 as a contribution towards eBay's costs of this appeal; the total sum of £2250 to be paid by PM to eBay within 28 days of this decision.

Professor Ruth Annand, 13 January 2012

Mr Jeremy Johnson appeared on behalf of Prescription Marketing Limited

Mr. Jeffrey Parker (Jeffrey Parker and Company) appeared on behalf of eBay Inc.

## APPENDIX A

- 1) CTM 1028398 filed on 24.12.1998, registered 12.04.2002



### 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

- 2) CTM 1029198 filed on 24.12.1998, registered 22.06.2000

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

- 3) CTM 1238617 filed on 12.07.1999, registered 24.10.2000

EBAY

Class 9

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

- 4) UK 2185144 filed on 22.12.1998, registered 08.12.2000

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

- 5) CTM 1499599 filed on 09.02.2000, registered 06.06.2001

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

- 6) CTM 4946828 filed on 06.03.2006, registered 30.01.2007



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