

O-429-18

**TRADE MARKS ACT 1994
IN THE MATTER OF APPLICATION NO. 3133421
BY UHOZZ (TIANJING) NETWORK TECHNOLOGY CO., LTD
TO REGISTER THE TRADE MARK:**



IN CLASSES 9, 35, 36, 39, 41 AND 43

AND

**IN THE MATTER OF OPPOSITION THERETO
UNDER NO. 405993
BY HOUZZ, INC.**

BACKGROUND AND PLEADINGS

1. On 27 October 2015, Uhouzz (Tianjing) Network Technology Co., Ltd (“the applicant”) applied to register the following trade mark:



2. The application was published for opposition purposes on 13 November 2015 for a range of goods and services in classes 9, 35, 36, 39, 41 and 43 (set out in full in the appendix to this decision).

3. The application is opposed by Houzz, Inc. (“the opponent”). The opposition was filed on 10 February 2016 and is brought under sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). Under each of these grounds, the opposition is directed against all of the goods and services in the application.

4. Under ss. 5(2)(b) and 5(3), the opponent relies upon the following trade marks:

i) European Union trade mark (“EUTM”) 10518603 for the trade mark **HOUZZ**. The mark was filed on 22 December 2011 and was entered in the register on 19 May 2012. A priority date of 8 July 2011 is claimed, based on US trade mark number 85/366717. The mark is registered for various services in classes 35, 37 and 42 (see appendix), all of which are relied upon by the opponent.

ii) EUTM 12474251 for the trade mark:



The mark was filed on 2 January 2014 and entered in the register on 30 June 2014. A priority date of 23 July 2013 is claimed, based on US trade mark 86017654. The mark is registered for a range of services in classes 35, 37, 38 and 42 (see appendix), all of which are relied upon.

5. Given their dates of filing, both of the above marks qualify as earlier marks in accordance with s. 6 of the Act. As neither mark had completed its registration process more than 5 years before the publication date of the application in suit, they are not subject to proof of use, as per s. 6A of the Act. The opponent can, as a consequence, rely upon all of the services it has identified.

6. Under s. 5(2)(b), the opponent makes identical claims for both earlier marks, stating that the marks are highly similar and that the goods and services are identical or similar. It states, albeit in relation to its claim under s. 5(3), that the distinctive character of the earlier marks has been enhanced as a result of the use made of them. It claims that there is a likelihood of confusion, including a likelihood of association.

7. The claims under s. 5(3) are identical for both earlier marks. The opponent claims that its marks have a reputation in the UK such that use of the mark applied for would cause the relevant public to believe that there is an economic connection between the applicant and the opponent, where no such connection exists. It claims that there would be unfair advantage to the applicant as it would be able to attract consumers and exploit the opponent's investment to the benefit of the applicant's business. The opponent also claims that use of the mark applied for would cause detriment to the distinctive character of its marks "in the sense that the public would no longer associate the Prior Marks exclusively with the Opponent, and may therefore switch to purchasing the Applicant's goods and services thereby divesting the Prior Marks of significant income". It claims that the opponent would have no control over the goods and services offered by the applicant and that, if those services were of "poor or merely average quality", the reputation of the opponent's marks would be tarnished.

8. The opponent further claims under s. 5(4)(a) of the Act that the signs HOUZZ

and  have been used throughout the UK since 16 July 2014 in respect of the following goods and services:

Application software that features information and advice in the fields of architecture, interior design and decorating, landscape design and home improvements.

Providing a website that features information and advice in the fields of architecture, interior design and decorating, landscape design and home improvements.

Providing a website that features temporary use of non-downloadable software allowing website users to upload, post, share and display online photos of interior design and decorating ideas and which also allows users to post questions and comments in the fields of architecture, interior design, decorating and remodeling, landscape design and home improvements.

Providing hypertext links to websites of others featuring the sale of furnishings, home remodeling information and interior decorating information.

9. The opponent claims that it has acquired a substantial goodwill under the signs and that use of the mark applied for would amount to a misrepresentation to the relevant public, resulting in damage to the opponent's goodwill.

10. The applicant filed a counterstatement denying the grounds of opposition and putting the opponent to proof of its claims. It denies that there is a high level of visual and aural similarity between the marks and denies that the goods and services are similar. The applicant puts the opponent to proof of its claims of enhanced

distinctiveness, reputation and goodwill. The applicant submits that there would not be any misrepresentation or damage as alleged by the opponent.

11. Only the opponent filed evidence. It also filed written submissions during the evidence rounds. Neither party requested a hearing; only the opponent filed written submissions in lieu of attendance. Both parties have been professionally represented throughout, the opponent by Cooley (UK) LLP and the applicant by Charles Russell Speechlys LLP. This decision is taken following a careful reading of all of the papers.

EVIDENCE

Opponent's evidence

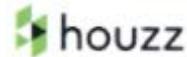
12. This consists of the witness statement of Ryan Loh, legal counsel for the opponent since 2015, with 32 accompanying exhibits. I do not intend to summarise each piece of evidence, particularly given that much of it is irrelevant, dated after the application date or not concerning the relevant territory (i.e. the EU or the UK). The most salient points are noted below.

13. Mr Loh states that the opponent “operates an online platform for the home remodelling, architecture, interior design and decorating, landscaping and home improvement industries”.¹ He describes the platform as follows:

“The HOUZZ Platform, which is primarily visual, allows homeowners, home design enthusiasts and home improvement professionals [...] to share and download images of projects and products, discuss trends in design, obtain inspiration or advice for future projects, promote their businesses, and purchase the lighting, décor, furniture and home improvement products displayed directly from the merchant”.

¹ §7.

14. He states that the opponent's platform and services have been offered under the trade mark "HOUZZ" and under the figurative mark shown below:²



15. There are exhibited prints from the opponent's UK website, www.houzz.co.uk.³ The word "Houzz" is visible, along with the figurative mark shown at paragraph 14, above. Whilst various goods and services relating to interior design and decoration appear to be available, the only visible dates are the copyright and printing dates, both of which are in 2017.

16. Mr Loh explains that the website allows users to create scrapbooks (or "ideabooks") using the images on the site.⁴ He describes a "tag" function, which professionals can use to identify the products in their images, so that "consumers can, by a single click, be directed from the image straight to the merchant's listing for the product on the HOUZZ Platform".⁵ A print from the opponent's website is exhibited at RL4 which explains how to tag products. Again, the only date visible is the printing date in October 2017.

17. Mr Loh explains that the opponent operates websites with country code top level domain names and provides a list which includes web addresses for France, Germany, Spain and the UK.⁶ He states that automatic redirection is used to redirect users to the local site, based on their IP address. This redirection has been in operation for the UK site since 16 July 2014.⁷ There is, at RL8, a copy of a press release of the same date about the launch of the opponent's UK website. It claims over 1 million UK users at launch. Similar press releases for other EU countries, dated between November 2014 and September 2015, are included at RL9, which also includes one press release for Ireland dated April 2016 (i.e. after the application date). I note that the press release relating to the Italian site claims that "[even] prior to localization, over 100,000 Italian

² §12.

³ RL2.

⁴ §9.1.

⁵ §§9.2-9.3.

⁶ §18.1.

⁷ Ibid.

homeowners were already using the Houzz site and apps every month” and that over 3,000 Italian professionals were using the site.⁸ Identical claims are made for the Spanish local site.⁹ Mr Loh states that the first UK user of the opponent’s website set up a professional profile in May 2009,¹⁰ and that “other professionals” apparently located in the UK have had a listing on the site since 2008.¹¹

18. Exhibit RL10 is said to show use of “the HOUZZ Trade Marks” on the EU sites identified at RL9. Though I note that various European sites are mentioned under the heading “Houzz Global Sites”, the prints are from www.houzz.com, show prices in dollars and the only visible date is a printing date in 2017.

19. There is also exhibited a print from houzz.com entitled “Houzz: Best of Remodeling 2014 – London (Living)”.¹² The figurative mark shown at paragraph 14, above, is present. The title and ten images are visible but there is no other significant text. RL16 to RL23 consist of prints from www.houzz.co.uk concerning the design professionals whose images are shown at RL15. The copyright dates are all 2017, though each of the exhibits notes “Best of Houzz” awards dating back to at least 2014 and, at RL16, 2013. The mark is shown in word-only form and in the figurative form shown at paragraph 14, above.

20. RL26 is a copy of the opponent’s “HOUZZ & HOME – UK: Overview of UK Renovation, Self-Building & Decorating in 2014” survey dated September 2015, which is a survey of design trends in the UK. I note that the report records 9,500 UK respondents (p. 235). Both the word mark and the figurative mark shown at paragraph 14, above, are visible.

⁸ RL9, p. 84.

⁹ RL9, p. 85.

¹⁰ §24.1

¹¹ §24.2.

¹² RL15

21. Mr Loh also describes the “HOZZ App” for mobile devices.¹³ He states that it was first released in November 2010 for iPhones and iPads and in December 2012 for Android devices. He indicates that the applications were available for download in the UK and EU “since around that time”.¹⁴ Prints from the iTunes and Google Play stores for these apps are exhibited, with the word “HOZZ” visible in both.¹⁵ Although dated 2017, Mr Loh confirms that these exhibits “exemplify the manner in which Houzz has used, and continues to use, the HOZZ Trade Marks [...] including before the filing date of the UHOZZ Application”.¹⁶

22. Information is provided regarding the highest ranking by country for the various applications in the period November 2010 to April 2016.¹⁷ The iPad application reached at least third position in the “lifestyle category” in 27 EU countries during this period; its overall position was generally much lower. The rankings for the iPhone application are slightly lower in the lifestyle category, again with lower overall positions. Downloads of the Android application show a weaker performance and, in some countries, are non-existent.

23. Neither turnover, sales nor advertising figures are provided.¹⁸ Mr Loh describes the sources of revenue for the opponent as listing fees for professionals and retailers, the sale of products through the site, and commission on products sold through the site by third parties.¹⁹ No examples of advertising are provided. Mr Loh states that the primary means of attracting business is through word of mouth.²⁰

24. Facebook and Twitter pages for the opponent are included, which show the word “Houzz”, though the copyright and printing dates are in 2017.²¹ Seven of the eight EU

¹³ §18.2.

¹⁴ Ibid.

¹⁵ RL11 and RL12.

¹⁶ §18.2.

¹⁷ RL13.

¹⁸ §§20, 23.

¹⁹ §19.

²⁰ §23.

²¹ RL27, RL28.

sites show joining dates before the application date. Similar undated (save for the printing date in 2017) pages are provided for various of the opponent's EU Instagram pages, with joining dates again said to be in or before October 2015.²²

25. Four articles from UK publications such as the BBC, the *Guardian* and *MailOnline*, and one in a French publication, all dated before the application date, are exhibited.²³ Four of these discuss the recent in-country launch of Houzz, whilst one is a more general article about the company. I note the indication in the *Guardian* article (December 2014) that "the UK network now numbers 15,000 tradespeople, designers and architects, and 1.5 million users".²⁴ Circulation figures for the UK publications are provided but relate to periods in 2017, so do not assist.²⁵

26. A list of news organisations and articles which have mentioned Houzz is exhibited at RL32. Many of the references are after the application date and most appear to be from US publications. The articles themselves are not exhibited and there is no information about their reach in the relevant territories.

27. As the applicant chose not to file evidence, that concludes my review of the evidence, so far as I consider necessary.

DECISION

Section 5(2)(b)

28. The opposition is based upon s. 5(2)(b) of the Act, which reads as follows:

"5 (2) A trade mark shall not be registered if because -

²² RL29 and §34.

²³ RL30.

²⁴ p. 303.

²⁵ RL31.

[...]

(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”.

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

(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.

Comparison of goods and services

30. When making the comparison, all relevant factors relating to the goods and services in the specification should be taken into account. In *Canon*, the Court of Justice of the European Union (“CJEU”) stated at paragraph 23 of its judgment:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all 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”.

31. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or acts of service;
- (d) The respective trade channels through which the goods or services reach the market;
- (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
- (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance

whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

32. The General Court (“GC”) confirmed in *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T-133/05, that, even if goods/services are not worded identically, they can still be considered identical if one term falls within the scope of another (or vice versa):

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

33. 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”.

34. Regarding the interpretation of specifications for services, in *Avnet Incorporated v Isoact Limited*, [1998] F.S.R. 16, Jacob J. (as he then was) stated that:

“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”.

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

“[...] there is a close connection between them, in the sense that one is indispensable or important for the use of the other in such a way that customers may think that the responsibility for those goods lies with the same undertaking”.

36. In *Sanco SA v OHIM*, Case T-249/11, the GC indicated that goods and services may be regarded as ‘complementary’ and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between goods/services is to assess whether the relevant public are liable to believe that responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL O/255/13:

“It may well be the case that wine glasses are almost always used with wine – and are, on any normal view, complementary in that sense - but it does not follow that wine and glassware are similar goods for trade mark purposes”.

37. I also bear in mind Mr Alexander’s comments in the same case, where he warned against applying too rigid a test when considering complementarity:

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

38. For the purposes of considering the issue of similarity of the goods and services, it is permissible to consider groups of terms collectively where they are sufficiently comparable to be assessed in essentially the same way and for the same reasons (see *Separode Trade Mark* BL O/399/10 and *BVBA Management, Training en Consultancy v. Benelux-Merkenbureau* [2007] ETMR 35 at paragraphs [30] to [38]).

39. I have no specific submissions from the applicant regarding the comparison of the goods and services. It simply denies, in its counterstatement, that there is any similarity between the goods and services at issue.

Class 9

Computer software, recorded; computer programs [downloadable software]; computer software applications, downloadable; computer programmes [programs], recorded

40. EUTM 10518603 is registered in class 42 for “providing a website featuring information in the field of home interior design and interior decorating”, whilst EUTM 12474251 is registered in class 42 for “providing a website featuring information in the field of interior decorating and architecture”. These terms are ambiguous: class 42 covers both technological services and professional services. On the one hand, the terms are, broadly speaking, design services providing information about interior design and architecture via a website; on the other hand, the terms cover the provision of websites for third parties, albeit in relation to particular fields.

41. The goods and services are different in nature but, as the applied-for specification is not limited, the subject matter could be the same. There may be competition between the goods and services and, whilst the methods of use are unlikely to overlap to a material degree, there may be shared channels of trade. In addition, software and computer programmes are important for website provision services and the consumer may think that the same undertaking is responsible for both: the goods and services are complementary. They are similar to a medium degree.

Electronic publications, downloadable

42. I will consider the position in relation to “providing a website featuring information in the field of home interior design and interior decorating” in class 42 of EUTM 10518603 and, in class 35 of EUTM 12474251, “providing online directories and listings featuring vendor contact information in the field of interior decorating, furnishings, and remodeling”, which represent the opponent’s strongest case. The goods in the contested specification are not limited to a particular category and could, therefore, include publications on the subjects covered by the earlier specifications. There may,

therefore, be a degree of overlap in purpose, as well as users. The nature of the goods and services will differ. “Providing a website featuring information in the field of home interior design and interior decorating” (EUTM 10518603) and the goods are not complementary as defined in the case law. There may, however, be some complementarity between “providing online directories and listings featuring vendor contact information in the field of interior decorating, furnishings, and remodeling” (EUTM 12474251), as the publications are important for the service and may be seen as the responsibility of the same commercial undertaking. There may be competition between the respective goods and services, with the applicant’s goods being purchased instead of the opponent’s website services. These goods and services are similar to a medium degree.

43. I acknowledge that the above terms in class 9 of the applicant’s specification cover a wide range of goods and may include goods which are not similar to the opponent’s services. I will return to this point when I consider the likelihood of confusion.

Computer peripheral devices; laptop computers; Global Positioning System [GPS] apparatus; electronic book readers; audiovisual teaching apparatus; telescopes; switches, electric; theft prevention installations, electric; batteries, electric; animated cartoons.

44. The opponent has made no submissions as to why it considers these goods to be similar to any of its services. I can see no meaningful similarity between the respective goods and services: they differ in nature and purpose, as well as method of use. Any overlap in users or channels of trade is likely to be at a very superficial level and the goods and services are neither in competition nor complementary. The goods and services are not similar.

Class 35

On-line advertising on a computer network; advertising; marketing

45. EUTM 10518603 covers, in class 35, “promoting home design and decorating products of others by providing hypertext links to the web sites of others; promoting home design, decorating, and remodeling services of others by providing contact information and hypertext links to service provider’s websites”. These are particular types of advertising services and, therefore, fall within the applicant’s broad terms “advertising” and “marketing”. The earlier terms also fall within the applied-for “on-line advertising on a computer network”. These services are identical, based on the principle outlined in *Meric*.

Presentation of goods on communication media, for retail purposes

46. The specification for EUTM 10518603 includes the term “promoting home design and decorating products of others by providing hypertext links to the web sites of others”. The wording suggests a very specific service concerned with making hypertext web links available. It is difficult to imagine the practical usefulness of such a service without the goods themselves being displayed but I am not persuaded that the natural reading of the term itself extends so far. Nevertheless, the applicant’s term encompasses all kinds of communication media, including sites such as social media platforms, which are not themselves retail sites. The term is, thus, wide enough that it would encompass the presentation of goods with embedded links to a retailer’s website. The services are identical on the basis outlined in *Meric*. If that is not right, they are highly similar, coinciding in nature, purpose, users, channels of trade and having a competitive relationship.

Business information; providing business information via a web site

47. The earlier marks contain the terms “promoting home design, decorating, and remodeling services of others by providing contact information and hypertext links to service provider's websites” (EUTM 10518603) and “providing online directories and listings featuring vendor contact information in the field of interior decorating, furnishings, and remodeling” (EUTM 12474251). These services are clearly concerned with the provision of business information, albeit in a particular field. Whilst I acknowledge that the inclusion of “promoting” in the former term might suggest an advertising service rather than a business information service, providing business information may itself be a promotional service: directories offer business information for businesses who wish to promote their services. The services applied for are identical under *Meric* to the terms in the earlier specifications.

Provision of an on-line marketplace for buyers and sellers of goods and services

48. An online marketplace suggests a website where consumers can access a range of goods and services, offered by multiple vendors. The goods and services will typically be purchased through the marketplace site, with the order being placed and payment being made on the same site, although individual traders might have their own pages within the larger marketplace site. “Promoting home design and decorating products of others by providing hypertext links to the web sites of others” in class 35 of EUTM 10518603 represents, in my view, the opponent’s strongest case. The purpose of both parties’ services is to facilitate selling and buying between users, although the service in the earlier specification will entail the purchase of goods and services on a third party’s website. The users will overlap, though this is a superficial point of similarity. The nature and methods of use are likely to coincide, though there will also be some differences because of, for example, the inability to purchase goods directly through the opponent’s services. There may be a degree of competition between the services, as an online marketplace could be used in preference to a referring service with purchase direct from the retailer. The services are not complementary as defined in the case law, neither

being essential or important for the use of the other. The services are similar to a medium degree.

Auctioneering

49. The purpose of these services is to offer third parties' goods and/or services for sale and to obtain the highest price for them. Auctions may be conducted online, and many different vendors' goods/services may be available through the auctioneer's website. "Promoting home design and decorating products of others by providing hypertext links to the web sites of others; promoting home design, decorating, and remodeling services of others by providing contact information and hypertext links to service provider's websites" (EUTM 10518603) will involve the presentation of information about a variety of different providers, as an inducement to purchase. However, as the opponent's services themselves do not include the selling of goods/services per se, there is only a limited degree of similarity in nature and purpose. Moreover, auctioneering services and the opponent's services would not typically reach the market through the same channels, save at a very superficial level. There is a potentially competitive relationship between the services, as both users and vendors could choose an auctioneering service instead of the opponent's services. I do not consider that there is complementarity in the sense defined in the case law. The services are similar to a low degree.

Business management consultancy

50. The purpose of this service is to provide information and advice in relation to the starting or running of a company. It is a wide term, which will encompass advice on issues such as management, staffing and branding but these are not advertising services. The class 35 services of both earlier marks are promotional services but they are very specific and are limited to providing links and contact information in various forms. The nature of the services is different. The users may be the same. The channels of trade are unlikely to overlap to any meaningful extent. The services are

unlikely to be in competition and, absent any evidence, there is not, in my view, a complementary relationship between the applied-for services and any of the earlier registrations' services in class 35, as the relationship between the services is too tenuous for a consumer to consider the services important for the other or that they are the responsibility of the same undertaking. There is no meaningful similarity between these services and those of either earlier marks in class 35.

Systemization of information into computer databases

51. I acknowledge that the services in class 35 of the earlier specifications will involve the arrangement of information so that it can be presented in various formats. However, "systemization of information into computer databases" is essentially a business administration service, the purpose of which is to organise data. The purpose of the earlier services is to present information to third parties. The nature of the services is different, as is their method of use. Whilst I acknowledge that the users may overlap at a very superficial level (they may both be, for example, businesses), the user of the applicant's services will be the owner of the database and its information, while the user of the opponent's services will be interested in accessing the data in order to make use of it. The services are not in competition, nor complementary in the sense defined in the case law. In the absence of any submissions, I can see no meaningful similarity between these services and any of the services in the earlier marks.

Outsourcing services [business assistance]; Commercial administration of the licensing of the goods and services of others; Commercial intermediation services; Import-export agencies; Personnel management consultancy;

52. I have no submissions from the opponent to explain why these services should be considered similar to those of the earlier mark. The intended purpose, nature and method of use of these services are different from all of those in the earlier specifications. Where there is an overlap in users, it is at a very high level and is not

sufficient to lead to overall similarity. The services are neither in competition nor complementary. They are not similar.

Class 36

Real estate agencies; real estate agency services relating to the purchase and sale of buildings; leasing of real estate; real estate services; real estate brokers; accommodation bureaux [apartments]; renting of flats

53. The opponent submits that its own “providing a website that features information in the field of home renovation and remodelling” in class 37 and “providing a website featuring information in the field of interior design and architecture” in class 42 (both earlier marks) are highly similar or similar to “real estate services” in the application because “they are complementary, often offered by the same undertakings and/or directed at the same end-users”.

54. The various real estate services listed above are concerned with the buying/renting and selling of property, or the facilitation of buying and selling/renting of property. By contrast, the purpose of the opponent’s services, in class 37, is giving information about home renovation and remodelling (and is, notably, a step removed from the remodelling or renovation services themselves). They are different in nature and purpose. There is no competition and the methods of use will be different. The opponent does not explain the basis on which it considers that the services are complementary. I can see no obvious complementary relationship between them: a remodelling or renovation information service is not normally important to or used with a real estate service, or likely to be perceived by the average consumer as being provided by the same undertaking. There is no evidence to support the contention that these services are often offered by the same undertakings. The users may overlap but, in the absence of evidence or more detailed submissions, it is insufficient for similarity to be engaged. These services are not similar.

55. In relation to the class 42 specification identified above, which is also a website providing information, although about interior decorating and architecture, the position is essentially the same. For the same reasons as given above, the services differ in nature and purpose, method of use, are neither in competition nor complementary and do not overlap in users to a material degree. They are not similar.

56. I have considered the remaining services in the earlier specifications and they put the opponent in no better a position than those it has identified. There is no similarity between the above services and any of the earlier services.

Insurance consultancy; Financing services; Loans [financing]; Credit card services; providing financial information via a web site; Art appraisal; Brokerage; Guarantees; Charitable fund raising; Trusteeship; Lending against security; Instalment loans; real estate investment.

57. I can see no reason, and none has been provided, why there would be any meaningful similarity between these services and any of the services in the earlier registrations. There is no significant overlap in nature, purpose, channels of trade, method of use, users and there is no competition or complementarity. The services are not similar.

Class 39

Sightseeing [tourism]; Booking of seats for travel; Travel reservation; Tour guide services; providing driving directions for travel purposes; Transport; Packaging of goods; Car rental; Storage; Distribution of energy; Courier services [messages or merchandise]; Escorting of travellers; Arranging of tours

58. I have no submissions from the opponent as to why these services are similar to any of the services covered by the earlier marks. I can see no meaningful similarity. The purposes of the services bear no relation to one another, and their nature and method

of use are different. Any overlap in users is at the highest level of generality and the services are neither competitive nor complementary. There is no similarity between these services.

Class 41

Providing on-line electronic publications, not downloadable; Publication of electronic books and journals on-line; Publication of books

59. The opponent submits that the above services are highly similar to certain services in classes 37 and 42 of the earlier registrations because the services have the same purpose, namely the online publication of text, images or both, and they may be offered by the same undertakings to the same end users.

60. The earlier marks include, in class 42, the terms “providing a website featuring information in the field of home interior design and interior decorating” (EUTM 10518603) and “providing a website featuring information in the field of interior decorating and architecture” (EUTM 12474251). The specification for which registration is sought is not limited and could, therefore, include publications which relate to the same topics as those provided by the opponent. The publication of books includes publication of electronic books. There is, therefore, an overlap in both nature and purpose, as well as users. The methods of use may share some similarity and the channels of trade may coincide. There is no complementarity but there may be a competitive relationship between these services. They are similar to a reasonably high degree.

Teaching; Academies [education]; Education information; Vocational guidance [education or training advice]; Arranging and conducting of workshops [training]; Arranging and conducting of conferences; Tuition; Coaching [training]; tutoring

61. All of these terms are unlimited and could, in theory, involve educational services relating to interior design, decorating and architecture. The earlier specifications include “providing a website featuring information in the field of home interior design and interior decorating” (EUTM 10518603), “providing a website featuring information in the field of interior decorating and architecture” (EUTM 12474251) and “providing a website featuring temporary use of non-downloadable software for use in creating online, electronic scrapbooks of design and decorating ideas” (both marks). However, the specific intended purpose, namely teaching/instruction as compared to providing a website or design/decorating information is different. Whilst the applied-for services may be available online, that is a very superficial point of similarity and there is little other overlap in the nature or method of use of the respective services. The services are not in any real competition and the overlap in users is not sufficient for there to be overall similarity on this point alone. As far as complementarity is concerned, whilst I accept that services such as websites may be used alongside courses (for example), I have no evidence before me that such services would typically be provided by the same undertaking. Indeed, it seems to me that there is very little likelihood that the same undertaking would be considered responsible for the respective services. There is no meaningful similarity between these services.

Organization of competitions [education or entertainment]; Game services provided on-line from a computer network; Videotaping; Language interpreter services; Ticket agency services [entertainment];

62. I can see no obvious or meaningful similarity between these services and any of the terms covered by the earlier specifications. The services are different in nature and purpose, their users will have no significant degree of overlap, there is no competition and no complementarity. They are not similar.

Class 43

Hotel reservations; Reservations (Temporary accommodation —); Bar services; Teahouse services; Accommodation reservations; Rental of temporary accommodation; Hotels; Accommodation bureaux [hotels, boarding houses]; Cafés; Tourist homes; Retirement homes; Rental of transportable buildings; Boarding house bookings; Restaurants; Rental of furniture

63. I can see no reason why these services are similar to the any of the services in the earlier marks. They are different in nature, purpose, method of use and are not in competition. Nor is there a close relationship between the services which would result in a complementary relationship. Absent any submissions on the point I find that they are not similar.

64. If there is no similarity between the goods and services, the opposition under s. 5(2)(b) is bound to fail: see *Waterford Wedgwood plc v OHIM*, Case C-398/07 P (CJEU) and *eSure Insurance v Direct Line Insurance*, [2008] ETMR 77 CA at [49]. The remaining considerations under this ground are, therefore, made only in respect of the goods and services which I have found to be identical or similar.

The average consumer and the nature of the purchasing act

65. It is necessary for me to determine who the average consumer is for the respective parties' goods and services. I must then decide the manner in which these goods and services are likely to be selected by the average consumer in the course of trade. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods and services in question: *Lloyd Schuhfabrik*.

66. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited*, [2014] EWHC 439 (Ch), Birss J. described the average consumer in these terms:

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

67. The parties have not made any submissions regarding the identity of the average consumer, though I note the repeated references to “homeowners” in the opponent’s evidence.

68. The goods and services at issue are wide-ranging. Goods such as computer software are likely to be purchased by both members of the general public and by business users, such as individuals purchasing the goods for their own business or procurement professionals on behalf of larger organisations. It will also be the case that many of the services at issue are bought both by members of the public and by professional users. Some of the services, particularly advertising and marketing services, are most likely to be engaged by professional users rather than members of the public. For all of the goods and services, exposure to the mark is most likely to take place through visual means, including catalogues and brochures, in print and online, and on websites. The goods may also be purchased through retail premises where they are likely to be self-selected from shelves. There may be an aural component to the purchase of all of the goods and services, arising from word-of-mouth recommendations and face-to-face discussions about the goods and services.

69. The level of attention paid to the purchase will vary, though there will be at least a medium level of attention paid across the range of different goods and services. For the class 9 goods at issue, the average consumer who is a member of the public is likely to pay at least a medium degree of attention to the purchase, some care being taken to ensure that the product is suitable for the particular purpose required. Professionals purchasing the same goods may take more care, as longer contracts or compatibility with existing systems may be concerns. These consumers will pay a reasonably high level of attention in selecting the goods.

70. There will also be varying levels of attention in respect of the services. The average consumer who is a member of the public using the services is likely to pay a medium degree of attention, with consideration being given to the range of information, goods/services and providers available. The professional using the services at issue is likely to pay a slightly elevated level of attention, which I would also pitch as reasonably high, as the business consumer will take into account, for example, levels of service in the contract and the potential benefits of a particular provider, as well as the costs of any potential contract.

Comparison of trade marks

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

“[...] it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the

light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion”.

72. It would be wrong, therefore, artificially to dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks. Due weight must be given to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The marks to be compared are:

Earlier marks	Contested mark
<p>(i) HOUZZ</p> <p>(ii) </p>	

73. The opponent submits that the marks are “closely similar”. It claims that the element “Uhouzz” is the dominant element of the mark applied for, that the marks share a high degree of aural similarity and that the marks “share at least a conceptual link”. For its part, the applicant denies that the word “Uhouzz” dominates its mark, instead claiming that the letter “U” and the stylised characters are more prominent.

74. Earlier mark (i), above, is the single word “HOUZZ”, presented in capital letters without stylisation. Its overall impression and distinctiveness are contained in that word.

75. Earlier mark (ii) consists of two elements. The first is a device of two vertical lines, slightly offset, each consisting of two triangles and a parallelogram. The geometric

shapes are coloured grey, black and white. To the right of the device is the word “houzz”, presented in lower case in an unremarkable typeface. Despite its position to the right of the device, the word “houzz” has the greatest impact in the overall impression due to its relative size and the tendency for words in a trade mark to speak louder than devices. The device plays a weaker role but it is still a distinctive element which plays a part in the overall impression.

76. The contested mark has three elements. The word “Uhouzz”, presented in title case in a bold but otherwise unexceptional font appears over a shape of the letter “U”. This shape has points at the end of each upright, giving the impression of arrows. Underneath these is a device element consisting of Chinese characters. In my view, both parties overstate their case regarding the overall impression of this mark. Although words do tend to dominate, given their relative size, the word “Uhouzz” and the device of Chinese characters are the most important elements in the overall impression, each playing a roughly equal role. The device of a letter “U” plays a part in the overall impression but its role is weaker than that of the other two elements.



(i) HOUZZ v

77. There are some differences between the marks because of the Chinese characters and the device of a letter “U” in the contested mark, which has no counterpart in the earlier mark. The words “HOUZZ” and “Uhouzz” differ in their first letter but share the identical letters “HOUZZ”/“houzz”. Bearing in mind my assessment of the overall impression, I consider that there is a medium degree of visual similarity.

78. The opponent’s mark will be articulated as either “HOWZ” or “HOOZ”. The device in the contested mark will not be verbalised nor, in my view, will the stylised letter “U” be verbalised separately. The mark will, therefore, be articulated as either “U-HOWZ” or “U-HOOZ”. There is a high degree of aural similarity.

79. Although the opponent submits that the word “HOUZZ” is a combination of the words “house” and “buzz”, I see no reason why the average consumer would either know or perceive this to be the case. The average consumer is, instead, likely to see the word as invented, with no particular meaning. I can also see no reason why the word “Uhouzz” in the contested mark would be perceived as anything other than an invented word. Unless a word or sequence has a meaning immediately understandable by the consumer, there can be no concept attached to it. I do not consider that the average consumer in the UK will recognise any meaning in the Chinese characters (although there may, of course, be some consumers who are capable of deciphering them), and the letter “U” simply reflects the letter at the beginning of the word “Uhouzz”. The conceptual position is neutral, i.e. there is neither similarity nor dissimilarity.



80. My comments regarding the visual similarities and differences between the marks, above, are equally applicable here. There is, however, an additional point of difference, due to the presence in the earlier mark of a device. The marks are visually similar to a fairly low degree.

81. As the device elements in the marks will not be articulated, my findings in relation to the aural similarity, above, also apply here. The marks are aurally similar to a high degree.

82. The device element in the earlier mark has no concept attached to it. My comments, above, regarding the various non-verbal elements in the contested mark are equally applicable and the device in the earlier mark is also devoid of a meaningful concept. Neither “houzz” nor “Uhouzz” has a particular concept attached to it. Consequently, the marks are conceptually neutral.

Distinctive character of the earlier trade marks

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

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-2779, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and

statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)".

84. The opponent submits that the evidence it has provided more than satisfies the test for enhanced distinctive character. I disagree. There is no evidence of turnover or advertising. The only evidence which would go to market share is the information concerning the ranking of the opponent's applications (RL13). However, showing that the applications at one point in time reached a particular position does not show whether the position was sustained for a significant length of time or whether there were any resulting sales. Moreover, whilst the applications may have been ranked highly, there is no way for me to determine how many other applications were in the running. Virtually none of the evidence showing the mark in use is from the relevant period. The social media pages (RL27-RL29) are not historical and establish only that the opponent joined the sites on particular dates: whilst 'like' and user figures are visible, there is no way to establish what the user position was at the relevant date. The press evidence, whilst within the relevant period, is inconclusive. I accept that the BBC, *Mail* and *Guardian* are media organisations with national reach. However, the articles date from a short period around the launch of the opponent's UK site and are insufficient to demonstrate that the marks have enhanced their distinctiveness through use. Finally, I note that over 1 million UK users were claimed at the UK website's launch date, and that this is said to have increased to 1.5 million users by December 2014, with 15,000 professionals in the network. Whilst not negligible, I do not consider that the user figures are sufficient, in the absence of any other persuasive evidence, to establish that the marks benefit from enhanced distinctiveness. Taking all of these factors into consideration, the opponent's claim to enhanced distinctiveness is dismissed.

85. That leaves the inherent position. I have indicated, above, that the word "HOUZZ"/"houzz" is likely to be perceived as invented. The word-only mark will, therefore, enjoy an inherently high degree of inherent distinctive character. The addition of a device element in the figurative mark relied upon will not materially alter the level of

distinctiveness in the word. As a whole, the mark is inherently distinctive to a high degree.

Likelihood of confusion

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

87. Confusion can be direct (where the average consumer mistakes one mark for the other) or indirect (where the average consumer realises the marks are not the same but puts the similarity that exists between the marks and the goods/services down to the responsible undertakings being the same or related). The concept of indirect confusion was explained by Mr Purvis Q.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10 as follows:

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

Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark.

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

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

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

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

88. In *Duebros Limited v Heirler Cenovis GmbH*, BL O/547/17, Mr James Mellor Q.C., as the Appointed Person, stressed that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, he pointed out that it is not sufficient that a mark merely calls to mind another mark. This is mere association not indirect confusion.

89. The interdependency principle dictates that the more similarity there is between the marks, and the more similarity there is between the goods and services, the more likely it is that there will be confusion. I will, therefore, begin by considering the position in relation to the earlier word-only mark “HOZZ”: if the opposition fails in respect of that mark, it will not succeed in relation to the figurative mark.

90. The earlier word mark has a high level of inherent distinctiveness. The goods and services have varying degrees of similarity, so I will begin by considering the services which have a low degree of similarity and which are bought with a reasonably high degree of attention, i.e. the position most favourable to the applicant. I do not consider that direct confusion is likely: the presence of the significant device element in the contested mark will not lead to the consumer mistaking the marks for one another. However, even though there is no more than a medium degree of visual similarity, which is a particularly important consideration in a purchasing process which is mainly visual, I do consider that there is a likelihood of indirect confusion. The presence in the contested mark of the word “Uhouzz”, which is highly similar to the earlier “HOUZZ” and which is not distinguishable from a conceptual perspective will, given the effects of imperfect recollection and notwithstanding the other elements in the later mark, lead the average consumer to assume that the later mark is a variant mark used by the same or a connected undertaking. It follows that for the remaining goods and services, which are similar to a greater degree or purchased with a lower level of attention, the opponent’s position is stronger still. There is a likelihood of confusion.

Section 5(4)(a)

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

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

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

(b) [.....]

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

92. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court stated that:

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

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

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

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

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’”.

94. There is no claim and no evidence that the contested mark was in use prior to the date of application. That being the case, the relevant date is 27 October 2015.

95. I bear in mind the following guidance regarding goodwill from the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

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

96. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut

the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur”.

97. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application”.

98. It is also clear that goodwill must not be of a trivial nature. In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off

claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation”.

99. However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience”.²⁶

100. The opponent claims to have used both the sign “HOUZZ” and the figurative mark



in the UK since 16 July 2014, on a range of services. Such evidence as there is dating from the relevant period shows the sign “HOUZZ” in a variety of contexts, for example in press releases, articles and surveys. Mr Loh also indicates that the evidence relating to the applications, apparently contemporaneous with the witness statement, shows how the mark was used at the relevant date. Although the evidence going to the relevant date is thin, I am prepared to accept that at least the sign “HOUZZ” had featured in various promotional and advertising campaigns, as well as featuring on the opponent’s website and applications from July 2014. However, the statements of user numbers, not insignificant at over 1 million UK users in

²⁶ See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA)

July 2014, rising to 1.5 million by December 2015, do not establish that the opponent in reality generated any sales. That is problematic for the opponent's claim, as it is not clear whether an advertising campaign can create a protectable goodwill without any actual sales to UK customers. In *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*, [2015] UKSC 31, Lord Neuberger (with whom the rest of Supreme Court agreed) stated (at paragraph 66 of the judgment) that:

“Finally, a point which I would leave open is that discussed in the judgment of Sundaresh Menon CJ in *Staywell* (see para 46 above), namely whether a passing off claim can be brought by a claimant who has not yet attracted goodwill in the UK, but has launched a substantial advertising campaign within the UK making it clear that it will imminently be marketing its goods or services in the UK under the mark in question. It may be that such a conclusion would not so much be an exception, as an extension, to the “hard line”, in that public advertising with an actual and publicised imminent intention to market, coupled with a reputation thereby established may be sufficient to generate a protectable goodwill. On any view, the conclusion would involve overruling *Maxwell v Hogg*, and, if it would be an exception rather than an extension to the “hard line”, it would have to be justified by commercial fairness rather than principle. However, it is unnecessary to rule on the point, which, as explained in para 46, has some limited support in this jurisdiction and clear support in Singapore. Modern developments might seem to argue against such an exception (see para 63 above), but it may be said that it would be cheap and easy, particularly for a large competitor, to “spike” a pre-marketing advertising campaign in the age of the internet. It would, I think, be better to decide the point in a case where it arises. Assuming that such an exception exists, I do not consider that the existence of such a limited, pragmatic exception to the “hard line” could begin to justify the major and fundamental departure from the clear, well-established and realistic principles which PCCM's case would involve. In this case, PCCM's plans for extending its service into the UK under the NOW TV mark were

apparently pretty well advanced when Sky launched their NOW TV service, but the plans were still not in the public domain, and therefore, even if the exception to the “hard line” is accepted, it would not assist PCCM”.

101. Pre-launch publicity appears to have been accepted as sufficient to create an actionable goodwill in the cases of *Allen v Brown Watson* [1965] RPC 191 and *BBC v Talbot* [1981] FSR 228 but, as explained in paragraph 3-71 of Wadlow’s ‘The Law of Passing Off 5th Ed’, the plaintiffs in these cases had long-established businesses and goodwill in the UK. The real issue was whether their new marks had become distinctive of those businesses to their UK customers through advertising alone. Until the law is clarified, it is therefore doubtful whether a business with no sales to UK customers can establish a passing off right based solely on advertising.

102. Whilst the absence of sales revenue or sums spent on advertising is not necessarily fatal to the opponent’s case, there is no evidence that the opponent had a long-established business or goodwill which would assist the signs relied upon in becoming distinctive of its business without actual sales. As there are also no sales or advertising figures from after the relevant date, there is nothing to assist me in establishing a pattern of trade. Although there is some evidence that at least eight professionals or companies had a presence on the opponent’s platform from 2013/2014 (RL15-RL23), the evidence does not show what that presence was at the relevant date or the services to which it related. Similarly, although the application and website may have been available to UK users from July 2014, the evidence is too vague to assist: it does not, for example, show monthly unique user figures or the numbers of downloads. Finally, although the articles which pre-date the application date and are exhibited at RL30 are from UK publications with national reach, there are only four of them. They discuss the launch of the opponent’s website and, in one case, its use by a Hollywood star but do not, in my view, establish an advertising or promotional campaign on the scale or with the intensity required to generate goodwill without trade. Taking all of the above considerations into account, the opponent has not established that it had at the relevant date a protectable goodwill in either of the signs relied upon.

103. In case I am found to be wrong that there is no protectable goodwill, I will briefly give my views on whether the claim, if there were found to be a protectable goodwill regarding the goods and services for which the opposition under s. 5(2)(b) failed, would be made out. In the absence of sales or advertising figures, it is very difficult to determine the strength of any goodwill. Given the paucity of the evidence provided, any goodwill would be assessed as modest. Whilst the signs are both, as I have indicated above, highly distinctive, my view is that the fields of activity for the goods and services at issue are too far removed, given the weakness of the goodwill, for use of the contested mark to deceive a substantial number of the opponent's customers or potential customers. Consequently, use of the contested mark would not constitute a misrepresentation to the public. The s. 5(4)(a) ground of opposition is dismissed.

Section 5(3)

104. Section 5(3) states:

“(3) A trade mark which-

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

105. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, [1999] ETMR 950, Case 252/07, *Intel*, [2009] ETMR 13, Case C-408/01, *Adidas-Salomon*, [2004] ETMR 10 and C-487/07, *L'Oreal v Bellure* [2009] ETMR 55 and Case C-323/09, *Marks and Spencer v Interflora*. The law appears to be as follows.

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

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

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

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

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

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

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

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

(i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oreal v Bellure*).

Reputation

106. In *General Motors*, Case C-375/97, the CJEU held that:

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

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

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

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

107. There is no evidence of the size of the market in the services at issue, no clear evidence of the market share attributable to the opponent, and no evidence of turnover or advertising spend. The evidence of promotional activity in the relevant period consists of press releases and articles, all concentrated around the release dates of the country-specific websites. I note that the opponent claims to rely on word-of-mouth advertising rather than traditional promotional matter but that makes hard evidence of market position all the more important. I am not satisfied on the evidence provided that either of the earlier marks had, at the relevant date, a reputation in the EU. The opposition under s. 5(3) falls at the first hurdle and is dismissed accordingly.

Primary conclusion

108. As matters stand, the opposition has failed under ss. 5(3) and 5(4)(a) but succeeds under s. 5(2)(b) against the following goods and services:

Class 9: Computer software, recorded; computer programs [downloadable software]; computer software applications, downloadable; computer programmes [programs], recorded; electronic publications, downloadable

Class 35: On-line advertising on a computer network; presentation of goods on communication media, for retail purposes; advertising; business information; providing business information via a web site; provision of an on-line marketplace for buyers and sellers of goods and services; auctioneering; marketing

Class 41: Providing on-line electronic publications, not downloadable; Publication of electronic books and journals on-line; Publication of books

Restriction to the specification

109. Notwithstanding my primary conclusion, I indicated at paragraph 43 of this decision that although I have found that certain goods in class 9 of the application are similar to the earlier specification, there may be goods within the scope of the applicant's specification which are not similar to the opponent's services. I have no evidence from the applicant as to the nature of its business and, given that the applicant was offered the opportunity to file a fall-back specification in the tribunal's letter of 20 February 2018 but did not avail itself of the opportunity, I have paused before offering the applicant another opportunity to provide a restriction to its specification which may avoid the clash with the opponent's services. However, I consider it appropriate to invite the applicant to consider its position in relation to:

Class 9: Computer software, recorded; computer programs [downloadable software]; computer software applications, downloadable; computer programmes [programs], recorded; electronic publications, downloadable.

110. In accordance with Tribunal Practice Notice 1/2012, paragraph 3.2.2, the applicant may file submissions in which it should identify any goods falling within the above

descriptions, which it wishes to register. It should explain why it considers that such goods are not similar to the services relied upon by the opponent. A period of fourteen days is allowed from the date of this decision for such submissions to be filed. A further period of fourteen days from receipt of those submissions is allowed for the opponent to comment upon any revised list of goods. I will then consider the position and issue a supplementary decision in which I will decide whether any of the goods in the revised list is free from objection. If the applicant chooses not to respond, I will issue a supplementary decision confirming my primary conclusion and the application will, subject to appeal, be refused for all of the goods and services listed at paragraph 108, above.

Dated this 16th day of July 2018

**Heather Harrison
For the Registrar**

APPENDIX:
List of goods and services

UKTM 3133421

Class 9: Computer software, recorded; Computer programs [downloadable software]; computer software applications, downloadable; Computer programmes [programs], recorded; Computer peripheral devices; Laptop computers; Electronic publications, downloadable; Global Positioning System [GPS] apparatus; electronic book readers; Audiovisual teaching apparatus; Telescopes; Switches, electric; Theft prevention installations, electric; Batteries, electric; Animated cartoons.

Class 35: On-line advertising on a computer network; Presentation of goods on communication media, for retail purposes; Advertising; Outsourcing services [business assistance]; Commercial administration of the licensing of the goods and services of others; Business management consultancy; Business information; commercial intermediation services; providing business information via a web site; provision of an on-line marketplace for buyers and sellers of goods and services; Auctioneering; Marketing; Import-export agencies; Personnel management consultancy; Systemization of information into computer databases.

Class 36: Real estate agencies; Real estate agency services relating to the purchase and sale of buildings; Leasing of real estate; Real estate services; Real estate brokers; Accommodation bureaux [apartments]; Renting of flats; Insurance consultancy; Financing services; Loans [financing]; Credit card services; providing financial information via a web site; Art appraisal; Brokerage; Guarantees; Charitable fund raising; Trusteeship; Lending against security; Instalment loans; Real estate investment.

Class 39 Sightseeing [tourism]; Booking of seats for travel; Travel reservation; Tour guide services; providing driving directions for travel purposes; Transport; Packaging of goods; Car rental; Storage; Distribution of energy; Courier services [messages or merchandise]; Escorting of travellers; Arranging of tours.

Class 41: Teaching; Academies [education]; Education information; Vocational guidance [education or training advice]; Organization of competitions [education or entertainment]; Arranging and conducting of workshops [training]; Arranging and conducting of conferences; Providing on-line electronic publications, not downloadable; Publication of electronic books and journals on-line; Publication of books; Game services provided on-line from a computer network; Videotaping; Language interpreter services; Ticket agency services [entertainment]; Tuition; Coaching [training]; tutoring.

Class 43: Hotel reservations; Reservations (Temporary accommodation —); Bar services; Teahouse services; Accommodation reservations; Rental of temporary accommodation; Hotels; Accommodation bureaux [hotels, boarding houses]; Cafés; Tourist homes; Retirement homes; Rental of transportable buildings; Boarding house bookings; Restaurants; Rental of furniture.

EUTM 10518603

Class 35: Promoting home design and decorating products of others by providing hypertext links to the web sites of others; promoting home design, decorating, and remodeling services of others by providing contact information and hypertext links to service provider's websites

Class 37: Providing a website that features information in the field of home renovation and remodeling

Class 42: Providing a website featuring information in the field of interior design and architecture for use by interior designers and architects; Providing a website featuring information in the field of home interior design and interior decorating; Providing an website that features temporary use of non-downloadable software allowing website users to upload, post, share and display online photos of interior design and decorating ideas and which also allows users to post questions and comments in the field of

interior design, decorating and remodeling; providing a website featuring temporary use of non-downloadable software for use in creating online, electronic scrapbooks of design and decorating ideas.

EUTM 12474251

Class 35: Providing online directories and listings featuring vendor contact information in the field of interior decorating, furnishings, and remodeling.

Class 37: Providing a website that features information in the field of home renovation and remodeling.

Class 38: Providing hypertext links to websites of others featuring the sale of furnishings; providing hypertext links to websites of others featuring home remodeling information; providing hypertext links to websites of others featuring interior decorating information.

Class 42: Providing a website featuring information in the field of interior decorating and architecture; Providing a website that features temporary use of non-downloadable software allowing website users to upload, post, share and display online photos of interior decorating ideas and that also allows users to post questions and comments in the field of interior decorating and remodeling; providing a website featuring temporary use of non-downloadable software for use in creating online, electronic scrapbooks of decorating ideas.