

O-163-17

CONSOLIDATED PROCEEDINGS

TRADE MARKS ACT 1994

IN THE MATTER OF:

**I) TRADE MARK APPLICATION 3093507
BY COSTAR REALITY INFORMATION, INC
TO REGISTER THE FOLLOWING TRADE MARK IN CLASS 35:**



AND

OPPOSITION THERETO (NO. 405077) BY VEXUS CORPORATE LIMITED

&

**II) TRADE MARK REGISTRATION 3075937
IN THE NAME OF VEXUS CORPORATE LIMITED
OF THE FOLLOWING TRADE MARK IN CLASSES 35 & 36:**


buysellbiz

AND

**AN APPLICATION FOR INVALIDITY (NO. 501216) BY COSTAR REALITY
INFORMATION, INC**

Background and pleadings

The opposition

1. The opposition proceedings concern the trade mark  which was filed by CoStar Reality Information, Inc. (“CoStar”) on 9 February 2015 and published for opposition purposes on 19 June 2015. Registration is sought for the following services in class 35:

Advertising; business management; business administration; office functions; organisation, operation and supervision of loyalty and incentive schemes; advertising services provided via the Internet; production of television and radio advertisements; accountancy; auctioneering; trade fairs; opinion polling; data processing; provision of business information; providing advertising information relating to buying, selling and merging of businesses.

2. Vexus Corporate Limited (“Vexus”) opposes the registration of the mark. It does so on a single ground under section 5(2)(b) of the Trade Marks Act 1994 (“the Act”) relying on an earlier UK registration (no. 3075937) for the mark **buysellbiz**. Vexus allege that the marks are “confusingly similar” and that the services are identical or similar, with the result that there is a likelihood of confusion. The earlier mark was filed on 8 October 2014 and it completed its registration procedure on 23 January 2015.

The application for invalidity

3. Subsequent to the opposition being lodged, CoStar made an application to invalidate Vexus’ earlier mark. The mark is registered in respect of:

Class 35: Advertising and advertisement services; Advertising and business management consultancy; Advertising and marketing; Advertising via electronic media and specifically the internet; Rental of advertising space on web sites; Advertising and business services; Advertising and marketing services; Advertising and promotion services; Advertising services provided via

the internet; Advertising, promotional and marketing services; Radio and television advertising; Rental of advertising space on the internet; Advertising and commercial information services, via the internet.

Class 36: Advisory services relating to corporate finance; Arranging finance for businesses; Arranging of finance; Provision of commercial finance; Provision of finance for business ventures; Provision of finance for companies; Provision of finance for enterprises.

4. CoStar's allegation that the mark is invalid is based on a single ground under section 5(4)(a) of the Act. It relies on the use, since February 2005, of the sign **BizBuySell** in connection with: "advertising, marketing and listing businesses for sale; providing advertising information relating to buying, selling and merging of businesses".

Defences, evidence and the hearing

5. After defences were filed, the two sets of proceedings were consolidated. Only CoStar filed evidence, although, Vexus did file some written submissions. A hearing then took place before me on 16 March 2017 at which CoStar was represented by Mr Jonathan Moss, of Counsel, instructed by Gill Jennings & Every LLP. Vexus was represented by Mr Tom St Quintin, also of Counsel, instructed by Keltie LLP.

The evidence

Affidavit of Ms Jaye Campbell

6. Ms Campbell is CoStar's Associate General Counsel. She explains that CoStar was formed in 1987 and operates in the field of information, analytics and marketing in the commercial real estate industry. This is, it is claimed, in the US, Canada and the UK. Ms Campbell states that in 2012 CoStar bought the company LoopNet, Inc., whose business included one named BizBuySell which, she says, was originally formed in 1996. It is explained that BizBuySell is "the Internet's largest and most heavily trafficked "business for sale" marketplace with more business for sale listings,

unique users, and more search activity than any other service”. Exhibit JC1 contains a print from the website bizbuysell.com which contains various pieces of information about the business. It is not an archive print, but it does refer to some of the dates mentioned by Ms Campbell. Ms Campbell highlights a section headed “Most Heavily Trafficked Exchange”. It contains information such as monthly visits (1.4 million worldwide) and registered businesses (90k).

7. In terms of how the business operates, “entrepreneurs” who want to buy or sell a business can place an advertisement on the website, paying a fee for an initial 3 or 6 month term. Once the term starts, the user can publish the advertisement. A user can also make use of what is called a “BizBuySell Valuation Report” to help determine a fair asking price for the business. Exhibit JC2 contains two further prints which detail how the service operates. It is not clear whether these prints come from CoStar’s website. Neither is it clear when they were published. The first print contains the name Warrillow & Co as well as the name BizBuySell. I note that this page includes information about visits and users which is lower than that already given (700k monthly visits and 6k brokers). The second print contains information which advocates using BizBuySell in conjunction with a rival service called BizQuest, these two businesses being identified as the first and second leading players in the market. The logo which features in Co-Star’s trade mark application appears on this page with BizBuySell next to it; the words are also depicted in plain words on their own.

8. Ms Campbell accepts that the majority of CoStar’s business is in the US. However, she states that since the services were first offered in the UK (which she says was in February 2005), 4,446 UK based listings have been placed on the website. The first UK based business broker that signed up to the service was in November 2005. Since then 16 UK based brokers have used the website to advertise businesses for sale. Exhibit JC3 contains details of these brokers. Not all of them were registered on the website before the date on which the earlier mark was filed, a point I will come back to later. Ms Campbell adds that approximately 165 users in the UK have listed a business for sale, attracting around 11k-12k visits from the UK each month.

9. It is explained that due to the web-based nature of the service, traditional advertising does not take place. Advertising is carried out online and, so, figures

detailing advertising spend are not available. Exhibit JC4 contains further (representative) extracts from the bizbuysell website dated between August 2011 and July 2014 which are said to be posts from users in the UK. There are 6 in total. Rather than advertising a business for sale, the main thrust of the posts appears to be seeking/offering investment; I will come back to the exact details later.

10. Exhibit JC5 contains archived web prints from the bizbuysell website from 2004 onwards. The text is small, but BizBuySell features prominently, sometimes just in the form of words, sometimes accompanied by the logo.

11. Exhibit JC6 contains an advertisement on amazon.co.uk for a book published in 2012 called "BizBuySell's Guide to Selling Your Small Business". Although published in 2012, it is not clear if the book has been available on amazon.co.uk since then. I note that there are no reviews about the book save for one taken from amazon.com (the US version of the Amazon website).

12. Exhibit JC7 contains details about one of CoStar's UK brokers, Ownersellers, which includes various listings of UK businesses for sale. None are dated. I will come back to Ownersellers in more detail later.

Witness statement of Alasdair MacQuarrie

13. Mr MacQuarrie is a trade mark attorney at Gill Jennings & Every LLP. His evidence has been provided to him from the records and books of CoStar. Exhibit ALM1 is what he has been "advised" (he does not say by whom) is a list of businesses located in the UK which have been advertised for sale on the website bizbuysell.com. He was further advised that the names listed relate to the people or organisations that listed the business for sale, that the column headed "date/time/created" corresponds to the date the businesses were listed on the website, that the column headed "heading" is indicative of the type of business, and that the column headed "City" identifies where the business was located. There are over 90 pages each with around 40 listings per page. Most of the listings were made before the date on which the earlier mark was filed. Where a person/organisation that made the listing is detailed, they are relatively small in number (compared to the number of listings), around 80. A large proportion

come from one individual named Andrew Hudson. However, large numbers of the listings have the person/organisation field left blank.

14. Exhibit ALM2 contains what Mr MacQuarrie has been “advised” is a list of individuals/organisations who have posted businesses for sale on the website. The table is headed “BBS UK Listers”. There are over 150, although, there are some duplicates within this.

Witness statement of Mr Rupert Cattell

15. Mr Cattell is the Managing Director of Turner Butler Limited, a business broker in the UK. He explains that one of ways in which his company markets and advertises its clients is to list them on websites that offer businesses for sale, for which it pays a small fee. A number of sites have been used including BizBuySell. The company’s predecessor used BizBuySell prior to 2012 and Turner Butler has continued to do so since then, until approximately six months ago [mid 2016]. He estimates that since 2012 it has listed around 400 businesses for sale, averaging around 100 per year.

The application for invalidity

16. In a case such as this, it is appropriate to consider the application for invalidity first. If the earlier mark does not survive the challenge to its validity, the opposition on which it was based is doomed. Both counsel agreed that this was the correct approach. The claim is made under section 5(4)(a) of the Act which reads:

“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.”

17. Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing-off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff’s goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant’s misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House’s previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House.”

18. Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant’s use of a name, mark or other feature which is the same or sufficiently similar that the defendant’s goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

In assessing whether confusion or deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

19. In *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), the Court stated:

“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.”

20. In *Hart v Relentless Records* [2003] FSR 36, 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.”

21. 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.”

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)

22. In terms of what is required to establish goodwill, I note that 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.”

23. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. 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.”

24. 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, discussed the matter of the relevant date in a passing-off case:

“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.’ ”

25. The earlier mark was filed on 8 October 2014; no use (or even a claim to use) of Vexus’ mark has been made, with the consequence that this date is the relevant date for the purposes of the assessment.

Goodwill in the UK?

26. Mr St Quintin accepted that Co-Star had used the sign it relies upon in the US on a reasonable scale. What he questioned, and made strong submissions in respect of, was whether there was any goodwill in the UK. One of the most recent judgments dealing with such jurisdictional questions is that of the Supreme Court in *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*, [2015] UKSC 31, where Lord Neuberger (with whom the rest of Supreme Court agreed) stated (at paragraph 47) that:

“I consider that we should reaffirm that the law is that a claimant in a passing off claim must establish that it has actual goodwill in this jurisdiction, and that such goodwill involves the presence of clients or customers in the jurisdiction for the products or services in question. And, where the claimant's business is abroad, people who are in the jurisdiction, but who are not customers of the claimant in the jurisdiction, will not do, even if they are customers of the claimant when they go abroad.”

And later said, at paragraph 52:

“As to what amounts to a sufficient business to amount to goodwill, it seems clear that mere reputation is not enough, as the cases cited in paras 21-26 and 32-36 above establish. The claimant must show that it has a significant goodwill, in the form of customers, in the jurisdiction, but it is not necessary that the claimant actually has an establishment or office in this country. In order to establish goodwill, the claimant must have customers within the jurisdiction, as opposed to people in the jurisdiction who happen to be

customers elsewhere. Thus, where the claimant's business is carried on abroad, it is not enough for a claimant to show that there are people in this jurisdiction who happen to be its customers when they are abroad. However, it could be enough if the claimant could show that there were people in this jurisdiction who, by booking with, or purchasing from, an entity in this country, obtained the right to receive the claimant's service abroad. And, in such a case, the entity need not be a part or branch of the claimant: it can be someone acting for or on behalf of the claimant.”

27. The claimant in that case did not have any goodwill in the UK that would give it the right to prevent B SkyB from using the name "NOW TV" in relation to its internet protocol TV service because the customers for Starbucks' broadcasting services under the name NOW were based in Hong Kong. The services could not be bought in the UK. The fact that the service was sometimes accessed via the internet by Chinese speakers in the UK did not mean that Starbucks had customers here. See also the judgments of the Court of Appeal in *Budweiser* [1984] F.S.R. 413 at 463 and *Hotel Cipriani SRL and Others v Cipriani (Grosvenor Street) Limited and Others*, 2010 EWCA Civ 110 (CA).

28. Mr St Quintin submitted that as a consequence of the *Starbucks* judgement, there must be evidence of people who pay in the UK for the services of CoStar. He stressed that there was no evidence to show where any transactions with the claimed UK customers took place. Whilst all of CoStar's evidence is borne in mind, the following represents what appears to be the potentially more relevant pieces of evidence:

Exhibit JC3 – The list of 17 UK brokers who have registered on the BizBuySell website.

Exhibit ALM1 – The list of UK businesses which have been advertised for sale on the BizBuySell website.

Exhibit ALM2 – The list of “[BizBuySell] UK Listers”

The direct evidence of Mr Cattell – a claimed UK customer, who has used the BizBuySell website to sell businesses.

Exhibit JC4 – Postings made by UK persons/businesses on the BizBuySell website.

29. Exhibit ALM1 contains a list of UK businesses which have been advertised for sale on the website. There are over 4000 in total, with the majority being advertised before the relevant date. I bear in mind that Mr MacQuarrie was “advised” as to the content of this exhibit, a point Mr St Quintin highlighted in his submissions. Whilst I acknowledge that the information he gave about the document was passed on to him by someone else (and, as such, falls to be assessed as hearsay), I accept Mr Moss’ submission that the table he provides (which is taken from the records/books of Co-Star) is reasonably self-explanatory. Further, it is noteworthy that in her affidavit Ms Campbell stated that 4446 “UK based listings” have been placed on the website since 2005, a number which roughly approximates to the number of listings in ALM1. Bearing in mind the relevant date (compared to the dates of the listings), I accept that at least 3k¹ (thus excluding some which were after the relevant date) UK businesses have been advertised for sale on the BizBuySell website.

30. Mr St Quintin’s main difficulty with Exhibit ALM1 related to the people that placed the advertisements. He submitted that of the listings detailed in ALM1, only 17 listings had been placed by the UK brokers identified in Exhibit JC3, with only 9 of those being before the relevant date. He also added that there were no repeat listings [other than where multiple listings were made on the same day], although, this is not strictly correct because “enquiries@turnerbutler.co.uk” listed a business on 9/11/2007 and “Turner Butler” listed a business on 9/7/2008; it is fair to assume that these businesses are one and the same.

31. Whilst noting Mr St Quintin’s point, there are a number of other points to bear in mind about the UK listings shown in ALM1. First, a large proportion have been made by one person, a Mr Andrew Hudson. He is not identified as one of the UK brokers in

¹ I have not counted them exactly, but this estimate gives an indication.

Exhibit JC3. He does, though, appear on the list of “[BizBuySell] UK Listers”. Mr St Quintin’s submitted that the phrase “UK Listers” is vague as it could just indicate people who have listed a UK business for sale as opposed to indicating that this is a person in the UK who has listed a business for sale. Again, whilst acknowledging this point, I also note what Ms Campbell stated in her commentary. She states that “165 users in the UK have listed a business for sale..” [my emphasis], a number which is very close (particularly when the few duplicate listings are disregarded) with the number of “UK Listers” in ALM2.

32. Another point to bear in mind about the listings in ALM1 is that Turner Butler have just a few which are specifically attributed to them. However, there is direct evidence from Mr Cattell that his business (Turner Butler) have been listing around 100 per year since 2012. Mr St Quintin submitted that I should treat Mr Cattell’s evidence with caution because earlier evidence (Exhibit JC7) shows that he has a relationship with another firm of brokers (Ownersellers) and there is no explanation from Mr Cattell about this. However, I agree with Mr Moss that this is no good reason to reduce the weight of his evidence – businessmen are permitted to have roles (and often do) in more than one business. Mr St Quintin also submitted that the presence of just a few listings in AL1 by Turner Butler demonstrates that it must not have had a UK focus, presumably because the residue of the 100 per year must be listings for overseas businesses. However, whilst I accept that the language Mr Cattell used is not as precise as it could have been, he does state that Turner Butler is “one of the UK’s largest business brokers for mid-sized businesses”. It is highly improbable that Mr Cattell was saying that his company is one of the largest UK brokers of overseas businesses. Further, whilst I accept that it is not directly relevant, it is interesting to note that the business he set up under the name Ownersellers relates to UK businesses according to some of the example advertisements in Exhibit JC7. Mr St Quintin criticised this exhibit (which he said was irrelevant anyway) because the contact details of a Ms Sarah Wood, who presumably works for Ownersellers, has what appears to be an overseas telephone number. However, whilst I cannot speculate as to why this may be, it is clear from the rest of the information that Ownersellers is a UK business selling UK businesses.

33. The more plausible explanation as to why only a few of the listings in AL1 are specifically attributed to Turner Butler is that this is simply a result of the data fields completed by the user when placing the advertisement. To illustrate the point, Sarah Wood, who works for Ownersellers, is listed a number of times despite the fact that she is not identified as a broker (because OwnerSellers are). Thus, the data which is input can vary on the particular person who completed the listing, with some entering their own name, some entering the name of the broker and some, as shown in ALM1, apparently leaving the data field blank.

34. In terms of the evidence generally, Mr Moss stressed that the evidence was unchallenged and, absent cross-examination, ought to be accepted. Mr St Quintin stressed that he was not inviting the tribunal to disbelieve the evidence, but he was nevertheless entitled to make submissions as to the adequacy of the evidence in terms of whether it establishes the existence of a UK goodwill. There is nothing wrong with either of those submissions, although, I should stress that it is specific facts that ought not to be disbelieved as opposed to general assertions as to the existence of goodwill. Mr St Quintin also stressed the well-trodden maxim that evidence should be weighed according to the proof which was in the power of one side to have produced, and in the power of the other to have contradicted. Again, this is borne in mind, as are Mr St Quintin's other submissions as to how the evidence ought to be assessed. However, whilst I would not characterise Mr St Quintin's submissions as an ambush about the evidence, I do feel in a case like this that it would have been better for Vexus to have highlighted some of its concerns about the evidence earlier, or made appropriate requests for disclosure, in order that CoStar could have provided further clarification about the issues concerned. The net effect of all this is that whilst I accept that CoStar's evidence is not perfect, those imperfections are not fatal to its case. Whilst it is possible for opposing counsel to criticise individual items of evidence (as Mr St Quintin did), it is still necessary to consider the context of the evidence as a whole, particularly where other evidence assists to clarify facts.

35. Adopting the above approach, I consider it appropriate to accept that a not insignificant number (around 3k) of UK businesses have been advertised for sale on the BizBuySell website. Further, listings have been placed by a not insignificant number of people (including brokers). It is not possible to say with precision how many

people in the UK have placed listings (it may not be the full number identified in AL3), but it is certainly more than the handful Mr St Quintin identified and it is also reasonable to infer the most of the UK Listers would have been listing UK businesses.

36. That then leads to the purpose of the listings. The question arises as to whether the listings are simply for the purpose of someone merely wishing to sell a UK business to someone in the US. Mr Moss' submitted that it was implicit from the type of UK businesses being advertised (I will come on to some examples shortly) that they were not being advertised solely for the purpose of attracting US buyers. Mr St Quintin submitted that there was no evidence about this, and that it would be wrong to come to the view expressed by Mr Moss because there were a good many reasons why someone from the US (or elsewhere) may wish to purchase a UK business.

37. In respect of the above point, I share the view expressed by Mr Moss. Some of the examples of UK businesses advertised on the website include: supplier and installer of double glazed windows; Independent car rental; fishing tackle shop; auto body, MOT, servicing and mechanical repair garage; established Italian restaurant; successful town centre jewellery retailer; stone merchants; radio control model specialist shop; tanning centre, to name but a few. It is in my view improbable that such businesses are attempting to solely target US (or overseas buyers). It is far more probable that the advertisements were placed to attract potential buyers at least including people in the UK. There are a number of points which re-enforce my view. First, Ms Campbell states that the website receives 11-12k visits from the UK each month. Whilst I accept that this is not broken down by time, the evidence of UK listings has not markedly changed from before the relevant date to after it, suggesting that at least similar levels of visits would have occurred before the relevant date. Second, although after the relevant period, the information in JC7 about OwnerSellers contains prints from the BizBuySell website placed by Sarah Wood of that business. Of the 20 listings, all bar one are for businesses in the UK. Further, although the asking price is all in US\$, the description entered includes various pieces of financial information such as net profits and assets and a converted asking price, all of which are listed in £s.

38. I have so far said little about the evidence in Exhibit JC4 consisting of postings from people in the UK. These are not listings of advertisements, but postings made on

the part of the website which is headed “The BizBuySell Small Business Community”. The subtext to the heading reads “Get Expert Advice. Find Local Service Professionals. Share Your Experiences”. It is thus some form of community forum. The exact entries are:

- i) A posting dated 1 August 2011 made by an independent “financial/investment/loan broker/consultant” based in Wales. They are seeking to link fund seekers with clients who require funding. There is nothing in the post which suggests whether they are looking for fund seekers in any particular country.
- ii) A posting dated 20 December 2012 from a farmer based in the South of England looking for a £600K loan. One person answers, who requests more information. One of the requested pieces of information requested is “city/zip code”, so the person responding appears to be from the US.
- iii) A posting dated 22 July 2013 made by a UK business called Ocean Finance, which appears to be offering loans to other businesses. The text in this print is very unclear, but from what I have been able to read, there is nothing to suggest that they are looking for borrowers in any particular country.
- iv) A posting dated 8 March 2014 from a financial firm in the UK offering loans to businesses. The amounts offered are in \$s.
- v) A posting dated 2 May 2014 from Louis King, who is looking for a UK investor.
- vi) A posting from Carl Maeers dated 4 July 2014 seeking investment in his fitness company in the UK. He asks “..would anyone be interested in investing in me or is it Americ..” [the rest of the text is truncated].

39. Mr St Quintin criticised these postings on the basis that whilst they may be from persons/businesses in the UK, they were not actually advertising a business for sale, further, that they were sparse, and further again, that some were US centric, with the sixth poster even questioning whether the website was only US orientated. Whilst this

is noted, some postings are silent on where investment is being sought/offered, one is looking for a UK investor, one is offering loans in \$s, whereas another is seeking a loan in £s, and the sixth poster appears to want UK investment but is, admittedly, not 100% certain if the site is just for the US. What needs to be borne in mind in all this is that a website such as this has no physical presence in any country. Whilst it is undoubtedly the case that the initial and main focus of the website has been in relation to advertising US businesses to potential US customers, the footprint appears to have enlarged to a more global context, including the UK. This is supported, to some degree, by these postings, even if they are not placing advertisements. Such expansion is no doubt easier with a web based business than it would be with a physical business offered elsewhere. Therefore, I do not consider that the analogy drawn by Mr St Quintin is particularly apt (biscuits from the UK being sold in the US). I do not consider that Exhibit JC4 undermines the opponent's position. It adds to the picture, albeit, I accept that it is not overwhelming evidence.

40. Returning to one of Mr St Quintin's submissions, that there is no evidence of the currency of the transaction or where the transactions took place, I should add that an absence of such evidence is not fatal. First, I do not consider the currency of the transaction to be the be all and end all. Even if the transaction were in \$s (which may well have been the case) then if, as I have found, people in the UK were placing advertisements for UK business at least partly with the purpose of attracting UK buyers, then the currency of the transaction does not matter. I also accept that transactions have taken place. Ms Campbell explains that the business model is based on payment of fees and Mr Cattell explains that a small fee is paid for placing the advertisements. Second, in terms of location, having found that advertisements are being placed by listers in the UK, it would be counterintuitive to believe that they were placing the advertisements only whilst they were outside the UK.

41. As I have already said, I must consider the evidence as whole. Mr Moss stressed that the test was on the balance of probabilities. I come to the view that the evidence paints a picture of a business whose primary focus may be in the US market but one in which the services offered on the BizBuySell website have a wider footprint than that, a footprint that by the relevant date had extended to the UK. The business in the UK is not large. However, I consider that the evidence shows that it was of more than

a trivial level at the relevant date. I conclude that the opponent had a protectable goodwill in relation to advertising services (on a website) for the sale of businesses.

Misrepresentation

42. In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd.* (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“.... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

43. To summarise Mr St Quintin's submissions on misrepresentation, he stressed that even if a protectable goodwill was established, it was still relevant to consider the

strength of that goodwill in determining whether a misrepresentation would arise. He also pointed to the fact that the nature of the marks/signs in question were suggestive, although he did accept that the marks/signs were highly similar. He also highlighted that some of the services were more distant, focusing on, for example, business management consultancy and TV and radio advertising in class 35 and the class 36 financial services. Mr Moss submitted that misrepresentation would occur in relation to all of the services as the public, familiar with CoStar's goodwill, would simply assume that it had stepped into a slightly different field.

44. A common field of activity is not a prerequisite to found a passing-off claim (see *Harrods Limited v Harrodian School Limited* [1996] RPC 697 (CA)). However, a presence of a common field is clearly a highly important factor. Beyond the services identified in the preceding paragraph, the class 35 services either cover, or include, the type of services that Co-Star provide. Most of the terms are broad in nature, and, as Mr Moss highlighted, Vexus has not sought to limit to any recognisable (and different) subset of service, nor did Mr St Quintin suggest that such an opportunity should be offered. As such, the services are in the same field and are either identical or very highly similar. In relation to TV and radio advertising, whilst this differs from advertising of businesses on the web, there is no reason why CoStar's services could not be provided through such a medium. The services are still very closely related. In relation to business management, I accept there is greater distance, however, the provision of a specialist business to business service as undertaken by CoStar is not a million miles from business management consultancy services which, notionally, could cover those which provide advice on the sale (or purchase) of businesses or how to improve a business to make it more saleable. I therefore conclude that there is a reasonable degree of similarity between these services. This finding also applies to the financial services which relate to the provision of commercial finance. There is something of a link given that CoStar's website appears also to be used by businesses seeking/offering investment. Therefore, it is no stretch that the service provider could itself act as a provider of finance (albeit, likely to be underwritten by a different institution) or providing the means to obtain it.

45. Mr St Quintin accepted that the mark/sign were highly similar. I agree. Although the applied for mark has a figurative aspect, the words in the mark make a strong

contribution and those words are highly similar to the earlier sign. The words are, of course, in a different order, but this is something which could very easily be overlooked, the precise order being misremembered.

46. I accept that the words comprising the earlier sign are somewhat suggestive and that this is a relevant factor. Nevertheless they are distinctive of CoStar and given the highly similar nature of the sign/mark, I have little hesitation in finding misrepresentation in respect of the services which are the same or highly similar. I also find misrepresentation in relation to the other services, as I agree with Mr Moss that the public will assume that this is simply another branch on the same tree as CoStar's primary business. Whilst in reaching this finding I have borne in mind Mr St Quintin's point about the allusiveness of the signs, I am of the view that this is far from the type of scenario envisaged by the jurisprudence in cases such as *Office Cleaning Services, Ld., V. Westminster Window and General Cleaners, Ld.* RPC (1946). Misrepresentation is made out for all of the services of the applied for mark.

Damage

47. Counsel agreed that if a misrepresentation was made out then damage would follow. I agree. I need say no more than that.

Outcome

48. The earlier mark relied upon by Vexus is invalid, the registration of which is deemed never to have been made. Consequent upon this is that the opposition must fail because the earlier mark can no longer be relied upon and this was the only basis for the opposition.

Costs

49. Counsel agreed that costs should follow the event on the normal scale. My assessment is set out below:

Preparing a statement of case and considering the counterstatement in the invalidation proceedings - £300

Official fee for the above - £200

Considering the statement of case and preparing a counterstatement in the opposition – £200

Filing evidence - £800

Attending the hearing - £600

Total - £2100

50. I order Vexus Corporate Limited to pay CoStar Reality Information, Inc. the sum of £2100 within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 6TH day of April 2017

Oliver Morris

For the Registrar,

The Comptroller-General