

REPUBLIC OF SOUTH AFRICA



IN THE GAUTENG DIVISION OF THE HIGH COURT, PRETORIA

DELETE WHICHEVER IS NOT APPLICABLE

(1) REPORTABLE: ~~YES~~ / NO.

(2) OF INTEREST TO OTHER JUDGES:

~~YES~~ / NO.

(3) REVISED.

DATE 13/3/2015

SIGNATURE

16/3/15

CASE NO: 37922/13

DATES HEARD: 24 -25/02/2014

In the matter between:

TPN GROUP (PTY) LTIMITED

Applicant

and

EBAY INC

Opponent

JUDGMENT

J W LOUW, J

[1] The applicant, to whom I shall refer as TPN, filed two applications with the Registrar of Trade Marks on 14 October 2010 for the registration of the trademark RENTBAY, one in class 35 and one in 36. The opponent, to whom I shall refer as eBay, opposed the granting of the applications. On

5 June 2013, the registrar referred the proceedings to the court in terms of the provisions of s 59(2) of the Trade Marks Act, 194 of 1993 (the Act).

[2] The services in respect of which TPN applied for registration of the mark RENTBAY in class 35 are the following:

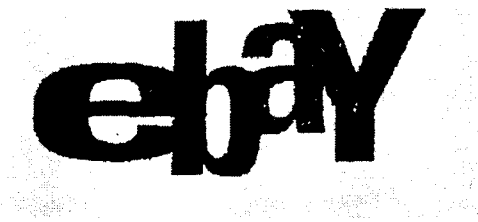
'advertising; business appraisal; business management assistance; business information, inquiries, investigations, management and organising consultancy; business research; commercial or industrial management assistance; compilation and systemization of information into computer databases; data search in computer files (for others); marketing research and studies; on-line advertising on a computer network; procurement services for others; statistical information.'

[3] The services for which TPN applied for registration of the mark in class 36 are the following:

'Financial information; financial evaluation; financial and credit analysis; financial blacklisting services; real estate affairs of all kinds and descriptions; services pertaining to the provision of information relating to the leasing of real estate, real estate agencies, real estate brokers and real estate management.'

[4] eBay is, and was at the date of filing of TPN's applications on 14 October 2010, the proprietor of the following registered trade marks in class 35:

EBAY (filing date 6 May 1999); EBAY (special form) (filing date 6 May 1999); EBAY (special form in colour) (filing date 3 December 2007). The appearance of the special form is as follows:



The colours of the letters of the special form in colour are, from left to right, red, blue, yellow and green. It is stated in the registration certificate that the combination of these colours is an essential and distinctive feature of the mark and that the combination of the colours created by the overlapping letters, i.e dark green, purple and orange is also a distinctive feature of the mark.

[5] The services in respect of which the EBAY and EBAY (special form) marks were registered, were '*On-line trading services*'. The services in respect of which the EBAY (special form in colour) mark was registered, were the following:

'The bringing together for the benefit of others a variety of goods including providing online marketplaces for sellers and buyers of goods and services; providing evaluative feedback and ratings of sellers' goods and services, the value and prices of sellers' goods, buyers' and sellers' performance, delivery and overall experience in connection therewith; providing a searchable online advertising guide featuring the goods and services of online vendors; providing a searchable online database for buyers and sellers; advertising and advertisement services; customer loyalty services and customer club services for commercial, promotional and advertising purposes; promoting the goods and services of others.'

[6] eBay contends that TPN's trade mark applications offend against the provisions of ss 10(14), 10(12), 10(17) and 10(6) of the Act.

Section 10(14)

[7] Section 10(14) prohibits the registration of a mark-

'which is identical to a registered trade mark belonging to a different proprietor or so similar thereto that the use thereof in relation to goods or services in respect of which it is sought to be registered and which are the same as or similar to the goods or services in respect of which such trade mark is registered, would be likely to deceive or cause confusion, unless the proprietor of such trade mark consents to the registration of such mark.'

[8] Two inquiries are therefore necessary: are the two marks identical or sufficiently similar, and are the services in respect of which TPN intends to use the RENTBAY mark the same as or similar to the services in respect of which eBay's marks are registered, so that there exists a likelihood of deception or confusion? In *New Media Publishing (Pty) Ltd v Eating Out Web Services CC*¹, Thring J said the following²:

"There is, it seems to me, an interdependence between the two legs of the inquiry: the less the similarity between the respective goods or services of the parties, the greater will be the degree of resemblance required between their respective marks before it can be said that there is a likelihood of deception or confusion in the use of the allegedly offending mark, and vice versa. Of course, if the respective goods or services of the parties are so dissimilar to each other that there is no likelihood of deception or confusion, the use by the respondent even of a mark which is identical to the applicant's registered mark will not constitute an infringement; also, if the two marks are sufficiently dissimilar to each

¹ 2005 (5) SA 388 (CPD)

² at 394D-G

other no amount of similarity between the respective goods or services of the parties will suffice to bring about an infringement. I respectfully agree with the learned authors of Webster and Page South African Law of Trade Marks 4th ed para 12.23 (at 12-41), where they say, with reference to s 34(1)(b) of the Act:

'(O)n a proper interpretation of the South African section the degree of resemblance between the marks and the degree of resemblance between the goods or services must be such that their combined effect will be to produce a likelihood of deception or confusion when that mark is used on those goods or services'."

The *dictum* was approved of by the Supreme Court of Appeal in *Mettenheimer and Ano. v Zonquasdrif Vineyards and Others*.³

[9] In *British Sugar Plc v James Robertson & Sons Ltd*⁴ it was held⁵ that the following factors are relevant when considering whether there is similarity of goods and services:

- (a) The respective uses of the respective goods or services;
- (b) The respective users of the respective goods or services;
- (c) The physical nature of the goods or services;
- (d) The respective 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,

³ 2014 (2) SA 204 (SCA) para [11]

⁴ [1996] RPC 281 (ChD)

⁵ at 296-297

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

[10] Ms Southwood, who appeared for TPN, conceded on behalf of TPN that the services of advertising and online advertising on a computer network in its class 35 application are identical to or encompass the services of providing a searchable online advertising guide featuring the goods and services of online vendors, advertising and advertisement services, and promoting the goods and services of others for which the eBay colour logo has been registered.

[11] It was submitted by Mr. Morley SC, who appeared for eBay, that the further services in respect of which TPN has applied for registration in class 35 are similar to the services for which the eBay colour logo has been registered. It is, in my view, not necessary that there should be similarity in respect of each one of the respective specified services of the parties. I agree, however, that there is some similarity between at least some of TPN's further specified services and those in respect of which eBay's colour logo trade mark has been registered. As was, however, pointed out in *Bata Ltd v Face Fashions CC and Ano.*⁶, the word 'similar' is almost always a difficult word to construe. The court referred in this regard to what was said by Schreiner ACJ in *R v Revelas*⁷, viz. that there are

"degrees of similarity or likeness, some approaching, and exceptionally perhaps even reaching, sameness, others amounting to no more than a slight resemblance. The similarity may be basic or superficial, general or specific."

⁶ 2001 (1) SA 844 (SCA) para [14]

⁷ 11959 (1) SA 75 (A) at 80B-C

The similarity between TPN's further services and those in respect of which eBay's colour logo mark has been registered can, in my view, at best be described as basic or superficial.

[12] It was further argued by Mr. Morley that the services in respect of which TPN has applied for registration in, respectively, classes 35 and 36 are similar to the "*online trading services*" for which eBay's other two marks are registered in class 35. I agree that at least some of those services can be considered to be trading services and that they can be provided online. The first definition of the noun "*trade*" in the Concise Oxford Dictionary is "*the buying and selling of goods and services*". TPN will obviously be offering to provide the specified services to persons who are interested in those services if its applications proceed to grant. It is, in fact, already doing so. It is stated in its answering affidavit that it offers an online rental property listing service. It is also a tenant credit bureau which collates, monitors and supplies data and information on tenant behaviour to its clients at all levels of the rental industry. The services are offered from its website, i.e. online. TPN is obviously selling those services to its clients, and it will continue doing so if its applications proceed to registration.

[13] As far as TPN's application for registration in class 36 is concerned, it needs to be pointed out that it was stated in *Foschini Retail Group (Pty) Ltd v J.F. Coetzee*⁸, a decision of the Full Court of this Division, that the starting point for an assessment of similarity must be with reference to the classification system itself and that the fact that the goods or services are in different classes would indicate, at least *prima facie*, that the goods or services are not similar. This statement appears to have been made *obiter*, as the court proceeded to consider whether the appellant's registered marks and those for which the respondent had applied for

⁸ Case no. A1/11 in the North Gauteng High Court (unreported)

registration, which were all in different classes, were similar. The court found them not to be similar and accordingly dismissed the appeal against the registrar's judgment in which the registrar dismissed the appellant's objection to the registration of the trade marks for which the respondent had applied. I would, with respect, disagree with the conclusion that the fact that the goods or services are in different classes would be a *prima facie* indication that the goods or services are not similar. Whether goods or services are similar must be determined objectively with reference to all relevant factors, including those mentioned in *British Sugar* referred to in para [9] above.

[14] The following inquiry is whether TPN's mark RENTBAY is identical or similar to eBay's EBAY, EBAY (special form) and EBAY (special form in colour) marks. It was not contended by eBay that the marks are identical. They clearly are not. The question, therefore, is whether the marks are so similar that the use of the mark RENTBAY in relation to the services in respect of which it is sought to be registered, and which are similar, to the extent mentioned above, to the services in respect of which eBay's marks are registered, would be likely to cause deception or confusion.

[15] It was stated in *Cowbell AG v ICS Holdings Ltd*⁹ that the decision involves a value judgment and that

"[t]he ultimate test is, after all, as I have already indicated, whether on a comparison of the two marks it can properly be said that there is a reasonable likelihood of confusion if both are to be used together in a normal and fair manner, in the ordinary course of business".

(SmithKline Beecham Consumer Brands (Pty) Ltd (formerly known as Beecham South Africa (Pty) Ltd) v Unilever plc 1995 (2) SA 903 (A) at

⁹ 2001 (3) SA 941 (SCA) para [10]

912H.) 'Likelihood' refers to a reasonable probability (*ibid* at 910B), although the adjective 'reasonable' is perhaps surplusage. In considering whether the use of the respondent's mark would be likely to deceive or cause confusion, regard must be had to the essential function of a trade mark, namely to indicate the origin of the goods in connection with which it is used (*The Upjohn Company v Merck and Another* 1987 (3) SA 221 (T) at 227E - F; *Canon Kabushiki Kaisha v Metro-Goldwyn-Mayer Inc* (formerly *Pathé Communications Corporation*) [1999] RPC 117 (ECJ) para 28). Registered trade marks do not create monopolies in relation to concepts or ideas. More recently this Court in *Bata Ltd v Face Fashion CC and Another* 2001 (1) SA 844 (SCA) at 850 para [9] pointed out that the approach adopted in *Sabel BV v Puma AG, Rudolf Dassler Sport* [1998] RPC 199 (ECJ) at 224 accords with our case law. There it was said that the likelihood of confusion must 'be appreciated globally' (cf *Organon Laboratories Ltd v Roche Products (Pty) Ltd* 1976 (1) SA 195 (T) at 202F - 203A) and that the

'global appreciation of the visual, aural or conceptual similarity of the marks in question, must be based on the overall impression given by the marks, bearing in mind, in particular, their distinctive and dominant components'."

[16] In *Bata*, the appellant was the proprietor of the registered trade mark 'Power'. It had sought an order restraining the respondents from using the trade marks 'Power House' and 'Powerhouse'. The court said the following¹⁰:

"[10] Counsel for the appellant submitted that the common element in both marks, the word 'Power', was likely to lead to confusion despite the fact that it is used in combination with the word 'House' on the first respondent's clothing. If full effect is given to this argument it would result in the appellant having a virtual monopoly to use the word 'Power' on clothing. According to the evidence, however, there are numerous

¹⁰ at paras [10] to [12]

trade mark registrations in South Africa in respect of clothing which incorporate or include the word 'Power'. It is an ordinary word in everyday use, as distinct from an invented or made-up word, and it cannot follow that confusion would probably arise if it is used in combination with another word.

[11] What has to be considered, therefore, is whether the notional customer of average intelligence, viewing the marks as a whole or looking at the dominant features of each mark, is likely to be confused or deceived into believing that clothing bearing the words 'Power House' have a connection in the course of trade with the 'Power' trade mark. In deciding this issue I have regard only to the respondents' 'Power House' mark without the distinctive dog device. In my view, the common element of the appellant's and the first respondent's marks is of minor significance when the marks are looked at as a whole. It is not possible to ignore the word 'House' in the first respondent's mark. I have considerable difficulty in imagining that the notional purchaser of the first respondent's clothing would focus attention only on the word 'Power'. The word 'House' is as significant as the word 'Power' and the two words used together sufficiently distinguish the first respondent's clothing from that of the appellant.

[12] The result is the same whether the two marks are viewed side by side or in the marketplace where clothing is sold. The overall impression which is created is that the marks do not resemble each other closely and the average customer would not be confused or deceived into believing that clothing bearing the 'Power House' mark is clothing made or sold by the appellant. Accordingly it has not been established that the marks resemble each other so closely that deception or confusion is likely to arise. The appellant's contentions based on s 34(1)(a) must therefore fail."

[17] In the present matter, a similar argument was advanced on behalf of eBay, viz. that the common element in both marks was the word 'Bay'

and that this would be likely to lead to confusion or deception despite the fact that TPN used the word in combination with the word 'Rent' and eBay used it in combination with 'e'. If full effect was given to this argument, it would, as in the case of the word 'Power' in *Bata*, result in eBay having a virtual monopoly to use the word 'Bay' in respect of the services for which it is registered and services similar thereto. As in the case of 'Power', the word 'Bay' is an ordinary word and not an invented word and it would, similarly, not follow that confusion would arise if it is used in combination with another word. The evidence of TPN shows that there are some forty trade mark registrations in classes 35 and 36 in which the word 'Bay' is used as part of the mark.

[18] It was submitted by Mr Morley that the dominant part of eBay's marks is the word 'Bay'. I do not agree. In my view, the word 'Rent' in TPN's trade mark and the 'e' in eBay's trade marks are equally significant. The marks must be viewed as a whole. The word 'Rent' in TPN's mark will not simply be discounted by the notional user of TPN's services. Bearing in mind that each of the marks has two equally significant features, the overall impression created by the marks is that they do not resemble each other closely, either visually, aurally or conceptually. The average user of the relevant services will in my view not be confused or deceived into believing that the word Rentbay has a connection in the course of trade with eBay.

[19] It follows that the objection based on s 10(14) cannot succeed.

Section 10(12)

[20] Section 10(12) of the Act provides that a mark shall not be registered as a trade mark if the mark-

'is inherently deceptive or the use of which would be likely to deceive or cause confusion, be contrary to law, be contra bonos mores, or be likely to give offence to any class of persons.'

[21] The dispute in respect of s 10(12) was whether the use of the mark RENTBAY would be likely to deceive or cause confusion as contemplated by the section. The test for deciding the issue was formulated as follows in *Danco Clothing (Pty) Ltd v Nu-Care Marketing Sales and Promotions (Pty) Ltd*:¹¹

"The exercise in that case is to contrast the notional use by the respondent of its mark in a normal and fair manner with the reputation of the appellant (encompassing its mark in relation to the goods it sells) in order to determine whether it is more likely than not that a not negligible number of ordinary members of the buying public would be deceived or confused, as a result of the use of the identical mark on the respective goods, as to their origin."

[22] It was therefore incumbent upon eBay to show that it had, as at the filing date of TPN's applications (14 October 2010), acquired a reputation (encompassing its marks in relation to its services) in the Republic. If it did have such reputation, the onus would be on TPN to negate the reasonable possibility of deception or confusion.¹²

[23] The evidence relied upon by eBay to prove a reputation was that of Ms Amber Bay Leavitt who is employed by eBay in the United States in the position of intellectual property counsel. She joined eBay in 2010. She states that the facts to which she attests are within her personal knowledge, unless the context indicates otherwise, and that certain of these facts she extracted from the properly kept continuous records of eBay to which she has access and which she personally reviewed. She deposed to the affidavit during September 2012.

¹¹ 1991 (4) SA 850 (AD) at 861F - G. Although the test was formulated with reference to s 16(1) of the 1963 Trade Marks Act, the wording in question was retained in s 10(12). The test is therefore equally applicable to s 10(12). See Webster & Page, South African Law of Trade Marks, para 6.6.6, p. 6-15.

¹² *Danco Clothing*, supra, at 860D-E

[24] TPN challenges Ms Leavitt's evidence on the basis that she did not have personal knowledge of facts relating to eBay's reputation prior to 2010, that her evidence in this regard is hearsay and that it should be struck out. TPN, however, conceded in its replying affidavit, without admitting the underlying factual allegations, that eBay and its trade marks EBAY and EBAY logo were well-known in South Africa at the relevant date in relation to an online auction site. The concession is, in my view, sufficient to establish the jurisdictional fact of eBay having a reputation (encompassing its marks in relation to its services) in South Africa at the relevant date. Online auction services are clearly included in the type of services for which eBay's marks were registered.

[25] The question then is whether it is more likely than not that a not negligible number of ordinary members of the public would be deceived or confused as a result of the use by TPN, in relation to its services, of the mark RENTBAY as to the origin of the mark. I have found in relation to s 10(14) that deception or confusion is unlikely. This finding applies equally to s 10(12). The objection in terms of s 10(12) must accordingly also fail.

Section 10(17)

[26] In terms of s 10(17), a mark may not be registered as a trade mark if the mark-

'is identical or similar to a trade mark which is already registered and which is well-known in the Republic, if the use of the mark sought to be registered would be likely to take unfair advantage of, or be detrimental to, the distinctive character or repute of the registered trade mark, notwithstanding the absence of deception or confusion, unless the proprietor of such trade mark consents to the registration of such mark.'

[27] It was held in *McDonald's Corporation v Joburgers Drive-Inn Restaurant (Pty) Ltd and Ano*¹³ that a mark is well known in the Republic if it is well known to persons interested in the goods or services to which the mark relates. As to the question how well the mark should be known to such persons, the court held¹⁴ that the degree of knowledge of the marks that is required is similar to that protected in the law of passing-off, which is that it must be known to a substantial number of people. As already mentioned, TPN conceded that eBay and its trade marks EBAY and EBAY logo were well-known in South Africa at the relevant date in relation to an online auction site. This can only mean that eBay was well known at the relevant date to a substantial number of people interested in participating in an online auction service.

[28] Dealing with s 34(1)(c) of the Act, which is the counterpart of s 10(17), the following was said by Nugent AJA, as he then was, in *National Brands Ltd v Blue Lion Manufacturing (Pty) Ltd*¹⁵:

'(T)he section protects the proprietor of a registered trade mark only against the use of a mark that is 'identical or similar' to the registered trade mark. The word 'similar' as it is used in the section has its ordinary meaning, which is 'a marked resemblance or likeness' (Bata Ltd v Face Fashions CC 2001 (1) SA 844 (SCA) at 852D) and 'marked' in turn means 'easy to recognise' (The Oxford English Dictionary)."

[29] A further meaning of the word '*marked*' given in the Shorter Oxford Dictionary is '*(of words or forms) distinguished by a particular feature*'. I have found that each of eBay's and TPN's marks has two equally significant features. The word "*Bay*" is common to both. What distinguishes them from each other is the '*E*' or '*e*' in the eBay marks and the word '*RENT*' in the RENTBAY mark. They therefore have different

¹³ 1997 (1) SA 1 (AD) at 384E

¹⁴ at 384H-385D

¹⁵ 2001 (3) SA 563 (SCA) at para [12]

distinguishing features. It can accordingly not be said that there is a marked resemblance between the marks.

[30] It follows that the use by TPN of its RENTBAY mark would not be likely to take unfair advantage of, or be detrimental to, the distinctive character or repute of eBay's registered marks. The objection based on s 10(17) can therefore not succeed.

Section 10(6)

[25] The relevant part of this section provides that a mark shall not be registered as a trade mark if the mark-

'on the date of application for registration thereof, or, where appropriate, of the priority claimed in respect of the application for registration thereof, constitutes, or the essential part of which constitutes, a reproduction, imitation or translation of a trade mark which is entitled to protection under the Paris Convention as a well-known trade mark within the meaning of section 35 (1) of this Act and which is used for goods or services identical or similar to the goods or services in respect of which the trade mark is well-known and where such use is likely to cause deception or confusion.'

[26] The objection based on s 10(6) cannot, in my view, succeed for the simple reason that the Rentbay mark does not constitute a reproduction, imitation or translation of the eBay registered marks, neither does the essential part thereof constitute a reproduction, imitation or translation thereof. I have found that the Rentbay and eBay marks both consist of two equally significant features or parts. The word 'bay' is therefore not the essential part of the RENTBAY mark.

[27] The result of the above conclusions is that all of eBay's objections must fail. I accordingly make the following orders:

- (a) eBay Inc's opposition to application no. 2010/23707 for registration of the mark RENTBAY in class 35 and to application no 2010/23708 of the mark RENTBAY in class 36, both in the name of TPN Group (Pty) Ltd, is dismissed with costs.
- (b) The said applications may proceed to grant.

Counsel for Opponent: Adv. G.E. Morley SC

Instructed by: Adams & Adams, Pretoria

Counsel for Applicant for registration: Adv. F. Southwood

Instructed by: Fullard Mayer Morrison Inc, Johannesburg