

**O/0157/25**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. UK00003909124**

**BY KEVIN VERRALL**

**TO REGISTER THE TRADE MARK:**

**DAIERCY**

**IN CLASS 6**

**AND**

**IN THE MATTER OF OPPOSITION THERETO**

**UNDER NO. 442351**

**BY HAIKOU SHI JUN XIANG YU SHANG MAO YOU XIANG GONG SI**

## BACKGROUND AND PLEADINGS

1. On 8 May 2023, Kevin Verrall (“the applicant”) applied to register the trade mark shown on the cover page of this decision in the UK. The application was published for opposition purposes on 19 May 2023. The applicant seeks registration for the following goods:

Class 6      Metal sign.

2. On 7 August 2023, the application was opposed in full by Haikoushijunxiangyushangyushangmaoyouxiangongsi (“the opponent”) based upon section 5(4)(a) of the Trade Marks Act (“the Act”).

3. The opponent relies upon its **DAIERCY** sign, which they claim to have used throughout the UK since September 2021 for advertising hoardings [structures] of metal; doorplates of metal; house numbers of metal, non-luminous; identification plates of metal; memorial plaques, of metal; metal licence plates; metal name plates; metal nameplates and door nameplates; nameplates of common metal; placards of metal; signboards of metal; signplates made of metal and stoppers of metal.

4. The applicant filed a counterstatement denying all of the claims made.

5. The opponent is represented by Pawel Wowra and the applicant is represented by N.J. Akers & Co. Both parties filed evidence in chief, and the applicant filed submissions during the evidence rounds. Neither party requested a hearing but the applicant filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

## EVIDENCE

6. The opponent’s evidence consists of the witness statement of Mr Guojin Bi dated 27 December 2023. Mr Bi is the legal representative and beneficial owner of the opponent, which is a limited liability company. Mr Bi’s statement is accompanied by 3 exhibits (1-3).

7. The applicant's evidence includes the witness statement of Mr Kevin Verrall dated 27 February 2024. Mr Verrall trades under the name "Top Banana Gifts", and his statement is accompanied by 6 exhibits (KV1-KV6).

8. The applicant's evidence also includes the witness statement of Mr Noel James Akers dated 27 February 2024. Mr Akers is a Chartered Trade Mark Attorney and Managing Director of N.J. Akers & Co, the representatives for the applicant. Mr Aker's statement is accompanied by 12 exhibits (NJA1-NJA12).

9. Whilst I do not propose to summarise it here, I have taken all of the evidence and submissions into consideration in reaching my decision and will refer to them where necessary below.

## **DECISION**

10. Section 5(4)(a) of the Act states as follows:

"5(4) 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, where the condition in subsection (4A) is met,

aa)...

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".

11. Subsection (4A) of section 5 of the Act states:

"(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of

application for registration of the trade mark or date of the priority claimed for that application.”

12. 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, conveniently summarised the essential requirements of the law of passing off as follows:

“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).”

### **Relevant date**

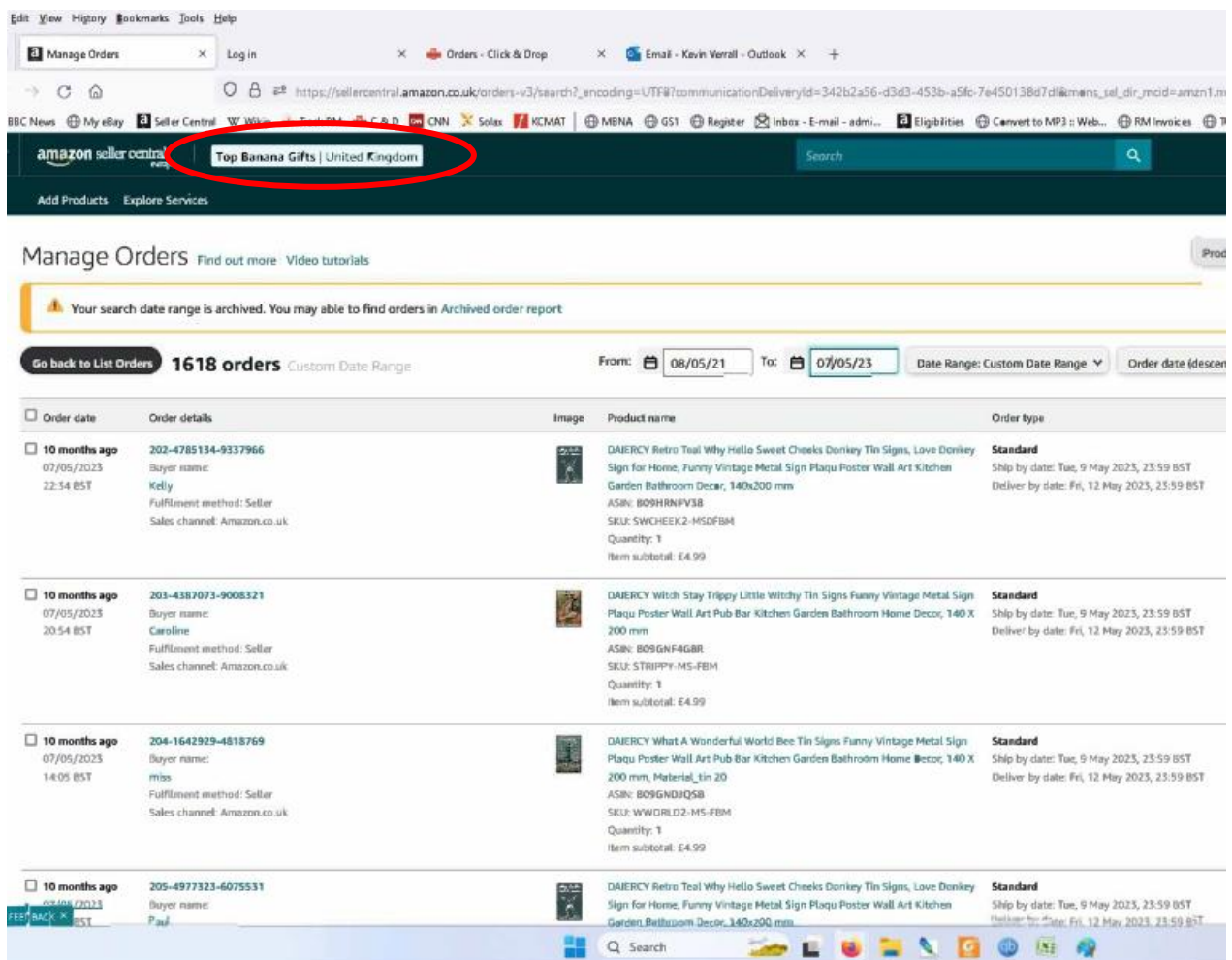
13. Whether there has been passing off must be judged at a particular point (or points) in time. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, sitting as the Appointed Person, considered the relevant date for the purposes of s.5(4)(a) of the Act and stated as follows:

“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.”

14. At paragraph 13 of Mr Verrall’s witness statement, he refers to **exhibit KV006** as showing 1,618 sales were made by the applicant in the UK between 8 May 2021 and 7 May 2023.

15. I note that **exhibit KV006** contains the following screenshot from Top Banana Gifts’ Amazon Seller Central account (which is circled in red below):



16. Whilst it is clear that 1,618 sales were made prior to the prima facie relevant date i.e. 8 May 2023, the screenshot only shows the details of 3 sales, each of which was made on 7 May 2023. I note that these sales were made on amazon.co.uk, which is supported by the product price being shown in pounds (£).

17. According to the rest of Mr Verrall's evidence, the applicant has sold novelty and gift items, including a wide range of metal signage, under the DAIERCY sign in the UK, since 2021.

18. Mr Verrall trades under the name "Top Banana Gifts" on Amazon UK, with undated screenshots of this page exhibited in **KV002**. However, Mr Verrall states that as of 23 February 2024, the business has 12,730 lifetime ratings on the platform, averaging 4.8 out of 5 stars. I also note that the reviews within this exhibit are all from February 2024.

19. Mr Verrall also provides screenshots of its products bearing the DAIERCY sign from its Amazon page in **exhibits KV003 to KV005**. However, these screenshots are also undated.

20. Taking all of the above into account, it is clear that the applicant clearly sold 3 metal signs, under the DAIERCY sign, on 7 May 2023. On this basis, I have solid and sufficient evidence to show that the applicant used its mark prior to the application date.

21. Therefore, I find that the relevant date in these proceedings is 7 May 2023.

## **Goodwill**

22. The House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) provided the following guidance regarding goodwill:

"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 customers. It is the one thing which distinguishes an old-established business from a new business at its first start."

23. 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 off 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; 54 evidence as to the manner in which the goods are traded or the services supplied; and so on.

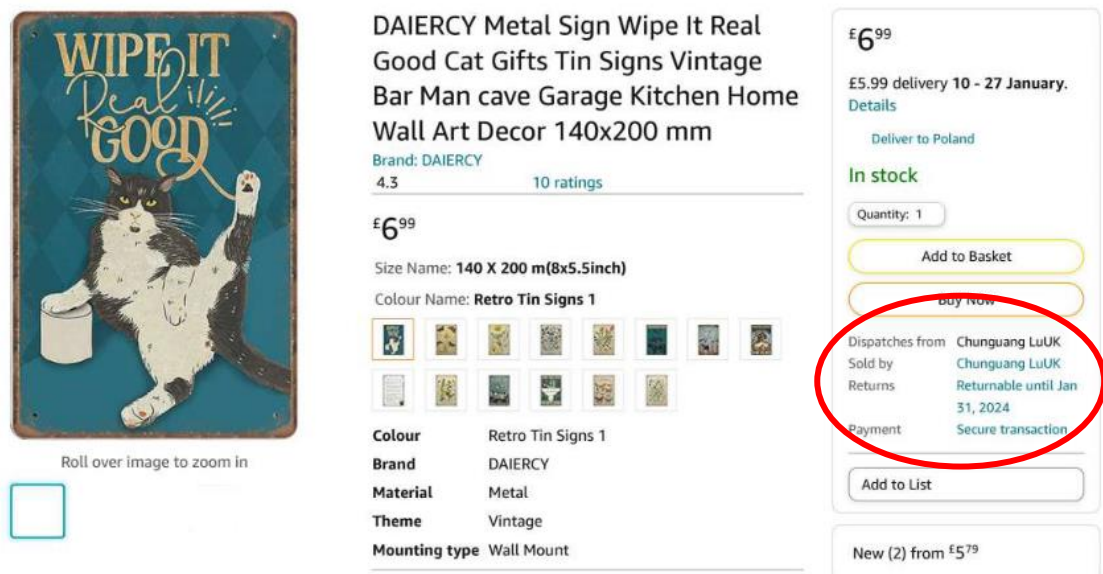
28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing 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.”

24. 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.”

25. I note the following from Mr Bi's witness statement:

- a) Mr Bi states that the opponent sells metal signs, under the DAIERCY brand, on online platforms such as Amazon UK.
- b) Mr Bi states that **exhibit 1** contains a website printout taken from a Amazon UK page, “confirming [his] registration as a business seller under DAIERCY-UK [my seller identity for UK market]”. I note that the amazon screenshot is for the “Chunguang LuUK” storefront, and under the “detailed seller information”, only the name “nanningxiaochenshangmaoyouxiangongsi” is shown.
- c) **Exhibit 1** also shows that “Chunguang LuUK” has a “100% positive lifetime” rating, but this is from 3 reviews which are dated 26 November 2023, 30 November 2023 and 1 December 2023.
- d) **Exhibit 2** contains screenshots dated 22 December 2023, of DAIERCY metal signs being sold on Amazon UK. I note that the items are listed as being first available between 24 September 2021 and 22 November 2021. Some of the listings only show that they are sold under the “brand” DAIERCY with no seller information provided on the listing, nor any reference to the “Chunguang LuUK” storefront. However, 3 of the screenshots clearly refer to this storefront (circled in red) as follows:<sup>1</sup>



**DAIERCY Metal Sign Wipe It Real Good Cat Gifts Tin Signs Vintage Bar Man cave Garage Kitchen Home Wall Art Decor 140x200 mm**

Brand: DAIERCY  
4.3 10 ratings

£6<sup>99</sup>

Size Name: 140 X 200 m(8x5.5inch)  
Colour Name: Retro Tin Signs 1

Colour: Retro Tin Signs 1  
Brand: DAIERCY  
Material: Metal  
Theme: Vintage  
Mounting type: Wall Mount

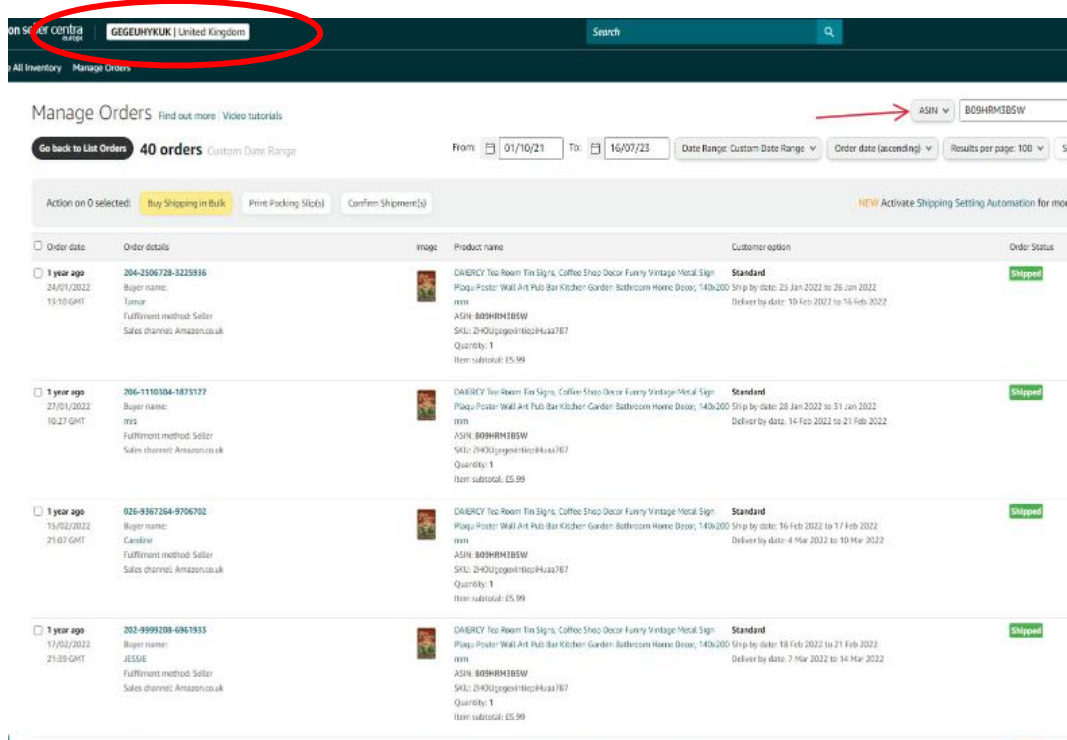
£6<sup>99</sup>  
£5.99 delivery 10 - 27 January.  
Details  
Deliver to Poland  
In stock  
Quantity: 1  
Add to Basket  
Buy Now

Dispatches from: Chunguang LuUK  
Sold by: Chunguang LuUK  
Returns: Returnable until Jan 31, 2024  
Payment: Secure transaction

Add to List  
New (2) from £5<sup>79</sup>

<sup>1</sup> The Friends Welcome Horror Sign, The 11 House Rules for a Kitchen Witch’s Home Sign and The Wipe it Real Good Sign.

- e) The 3 signs which are clearly sold under the “Chunguang LuUK” storefront are dated as first being available on 6 October 2021, 24 September 2021 and 22 November 2021.
- f) The reviews for the 3 signs which are clearly sold by the “Chunguang LuUK” storefront are dated between 26 October 2022 and December 2023.
- g) **Exhibit 3** contains screenshots of an Amazon Seller Central page, in which Mr Bi states shows that 348 DAIERCY metal signs were sold through this site. I note in Mr Bi’s witness statement, he says that “the majority” of these “predate the filing date of the contested application”, and the sales are all presented, for example, as follows:



- h) However, the screenshotted pages provided in **exhibit 3** pertain to the “GEGEUHYKUK” store, not the “Chunguang LuUK” storefront, which is shown circled in red above, and as follows:



i) I also note that some of the sales contained in **exhibit 3** were made via “Amazon.de”, with the sales being listed in euros (€).

26. The applicant has provided evidence in reply to Mr Bi’s above statement. I note the following from this:

i. **Exhibit NJA003** contains a screenshot from 22 February 2024, of the “Chunguang LuUK” storefront. I note that it contains the same details from **exhibit 1**, including the same reviews and listing its business name as “nanningxiaochenshangmaoyouxiangongsi”. It also shows the same following link to a metal sign as follows:



ii. Mr Akers states that when clicking the above listing, the following listing dated 22 February 2024, which is contained in **Exhibit NJA004**, appears as follows:



- iii. In **exhibits NJA005 to NJA011**, Mr Akers provides Amazon UK screenshots of the metal signs which I found did not provide any seller information, or show any reference to the “Chunguang LuUK” storefront in paragraph 25(d) above. However, the screenshots provided within these exhibits clearly show that whilst the applicant’s store “Top Banana Gifts” sells these goods, that “Chunguang LuUK” also sells these goods on amazon too (which is presented in the same way as the red circled screenshot in paragraph 26(ii) above). I note that all of these screenshots within these exhibits are dated 23 February 2024.
- iv. At **exhibit NJA012**, Mr Akers has provided screenshots of the Amazon Storefront page for “GEGEUHYKUK” (which is the store listed in the opponent’s **exhibit 3** Amazon Seller Central page screenshots). Its “business name” is listed as “xiangyangimeihuazhuangpinyouxiangongsi”.

27. Goodwill arises as a result of trading activities. However, I have not been provided with any evidence such as turnover or advertising figures, which is plainly information which should have been readily available and relatively easy to provide.

28. **Exhibit 1** of the opponent’s evidence (and **exhibit NJA003** of the applicant’s evidence), contains a screenshot of the “Chunguang LuUK” Amazon storefront. Mr Bi states that this evidence confirms his registration as a business seller under DAIERCY-UK. However, this evidence does not “confirm” anything as such. I note that under the detailed seller information, there is no reference to the opponent’s name, Mr Bi’s name or to the sign DAIERCY. The Amazon store name clearly does not use the opponent’s name, Mr Bi’s name or the sign DAIERCY. Moreover, Mr Bi does not provide any narrative (or exhibited) evidence to explain how “Chunguang LuUK” and/or “nanningxiaochenshangmaoyouxiangongsi” (the business name provided on Chunguang LuUK’s page) are connected to him or the opponent. I also note that the only reference to DAIERCY on this page is from a linked listing which is contained in **exhibit 2** of the opponent’s evidence, and **exhibit NJA004** of the applicant’s evidence. Thus the storefront page itself makes no reference to DAIERCY.

29. Mr Bi also states that 348 DAIERCY metal signs were sold through Amazon UK, the “majority of which predate the filing date of the contested application”. These sales

are included in **exhibit 3**. However, as noted above, these screenshots pertain to the “GEGEUHYKUK” storefront. Moreover, as confirmed by **exhibit NJA012**, “GEGEUHYKUK” has no connection to the opponent. I also bear in mind that some of the sales shown in **exhibit 3** were made via “Amazon.de”, with the sales being listed in euros, and therefore, they were not made to customers in the UK. On this basis, I am unable to conclude what sales were made in the UK before the relevant date, and, more importantly, I am unable to conclude that the 348 sales made on the “GEGEUHYKUK” storefront are the sales of the opponent.

30. Bearing in mind the above, I am unable to conclude that the evidence which pertains to the “Chunguang LuUK” storefront and the “GEGEUHYKUK” storefront are connected to the opponent or Mr Bi. However, to give the opponent its best case, I will proceed as if the 348 sales are considered to be made by the opponent before the relevant date. On this point, I acknowledge that 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 goodwill and reputation may be small.<sup>2</sup> While evidence of sales is an important factor to the issue of goodwill, it is not fatal to a claim under section 5(4)(a) if the figures are at such a low level, like in this case. For example, if sales are low but an opponent is able to demonstrate repeat and consistent custom over a prolonged period of time then it may be sufficient to find goodwill. Further, use over a short period of time may be sufficient if the level of use is somewhat intensive. Lastly, evidence of low sales may be supported by evidence that can point to a level of awareness across the consumer base. Such evidence may include information as to advertising spend or examples of promotional activities undertaken. That being said, I have not been provided with any of this information within the evidence. Whilst Mr Bi states that the opponent has been trading as early as September 2021, I do not have any evidence to show that its use of the mark was “intensive” as I only have one example Amazon screenshot for each metal sign, showing the details of 4 sales made (some of which were made in the EU). I have not been provided with any evidence to demonstrate marketing efforts by the opponent to advertise their goods in the UK, and the customer reviews provided within the evidence does not show repeat or consistent custom.

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<sup>2</sup> See *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590

31. I bear in mind that the law of passing off does not protect a goodwill of trivial extent.<sup>3</sup> In *Smart Planet Technologies, Inc. v Rajinda Sharma* (BL O/304/20), Mr Thomas Mitcheson QC, as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. After reviewing these authorities Mr Mitcheson concluded that:

“... a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon.”

32. Therefore, taking all of the above into account and considering the position as at the relevant date, I find that even if the 348 sales were made by the opponent before the relevant date, the opponent’s evidence falls short of proving the existence of any protectable level of goodwill in their business.

33. The opponent has failed to prove that it enjoys a more than trivial goodwill in its sign at the relevant date, and the section 5(4)(a) ground is the only one relied upon. The opposition hereby fails in its entirety.

## **CONCLUSION**

34. The opposition is unsuccessful, and the applicant’s mark may proceed to registration for all of the goods applied for.

## **COSTS**

35. The applicant has been successful and is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 1/2023.

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<sup>3</sup> *Hart v Relentless Records* [2002] EWHC 1984 (Ch)

Consequently, I award the applicant the sum of **£1,300** as a contribution towards the costs of the proceedings. The sum is calculated as follows:

Considering the Notice of opposition and preparing a counterstatement	£250
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Considering the opponent's evidence, and preparing and filing evidence in reply	£700
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Preparing and filing written submissions in lieu of a hearing	£350
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<b>Total</b>	<b>£1,300</b>
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36. I therefore order Haikoushijunxiangyushangyushangmaoyouxiangongsi to pay Kevin Verrall the sum of £1,300. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

**Dated this 20<sup>th</sup> day of February 2025**

**L FAYTER**

**For the Registrar**