O/0600/26

TRADE MARKS ACT 1994

<u>CONSOLIDATED PROCEEDINGS</u>

IN THE MATTER OF REGISTRATIONS NO. UK00004000423 AND UK00004000427

IN THE NAME OF ANWEN CO LTD. FOR THE FOLLOWING TRADE MARKS:

AND

AND

TWO APPLICATIONS FOR DECLARATIONS OF INVALIDITY

UNDER NOS. 507448 AND 507411

BY UNCLE LEE'S TEA

Background and pleadings

1. Anwen Co Ltd. ("the proprietor") is the registered proprietor of the following trade marks:

<table>
<tr><td>
UK00004000423 ("the proprietor's first mark")

Filing date: 10 January 2024
Registration date: 05 April 2024

The mark is registered for the following goods:

Class 30: *Tea; Oolong tea [Chinese tea]; Oolong tea; Herbal tea; Black tea [English tea]; Ginseng tea; Jasmine tea; Green tea; Tea bags; White tea; Black tea; Teas; Herb tea [infusions]; Instant tea; Herbal tea [other than for medicinal use]; Herbal teas; Tea beverages (Non-medicated -);Chrysanthemum tea (Gukhwacha); Fruit flavoured tea [other than medicinal]; Tea bags (Non-medicated -).*
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<tr><td>
UK00004000427 ("the proprietor's second mark")

Filing date: 10 January 2024
Registration date: 03 May 2024
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Class 30: *Tea; Oolong tea [Chinese tea]; Oolong tea; Tea (Iced -); Herbal tea; Ginseng tea; Ginger tea; Jasmine tea; Green tea; Tea for infusions; Tea bags for making non-medicated tea; Tea bags; Rosemary tea; Barley tea; Tea leaves; Flavourings of tea; Lime tea; White tea; Black tea; Teas; Iced tea (Non-medicated -); Iced teas; Herb tea [infusions]; Red ginseng tea; Instant tea; Ginseng tea [insamcha]; Tea (Non-medicated -); Herbal tea [other than for medicinal use]; Japanese green tea; Instant green tea; Non-medicinal herbal tea; Herbal teas; Tea beverages (Non-medicated -); Chrysanthemum tea (Gukhwacha); Fruit flavoured tea [other than medicinal]; Tea bags (Non-medicated -); Jasmine tea bags, other than for medicinal purposes; Instant white tea; Fruit teas; Jasmine tea, other than for medicinal purposes; Herbal teas [infusions].*

2. On 04 June 2024, the proprietor's marks were subject to two invalidation applications filed by Uncle Lee's Tea ("the applicant"). Both applications are based on Section 47 and Sections 5(4)(a), 3(6) and 56(1) of the Trade Marks Act 1994 ("the Act").

3. Under Section 5(4)(a), the applicant relies on the following signs which are identical to the proprietor's first and second mark. In particular, in the invalidity against the first mark, the applicant relies on a sign which is identical to the first mark, and in the invalidity against the second mark, the applicant relies on a sign which is identical to the second mark. The applicant claims to have used the two signs shown below throughout the UK since 2001 in relation to tea:

4. The applicant states that it began, via its distributors, using its signs as early as 2001 in the UK in relation to a variety of tea products and has, through this use, acquired significant goodwill in the signs. The applicant also states that use of the proprietor's contested marks, which are identical to the applicant's own signs, is highly likely to mislead the public to believe that the goods offered by the proprietor are those of the applicant or are otherwise associated with, approved or authorised by the applicant and that, as a result of this misrepresentation, the applicant is highly likely to suffer damage.

5. Under Section 3(6), the applicant pleads its case as follows:

> "*The contested sign is identical and covers identical goods to the applicant's mark. The proprietor has filed to register the contested sign in bad faith and did, at the time of filing, do so with dishonest intentions which fall short of acceptable commercial behaviour. The proprietor has, since obtaining its registration, instigated numerous Amazon take-downs of products offered for sale by the applicant's legitimate distributors. Moreover, when contacted by the applicant, the proprietor refused to surrender its registration unless the applicant was prepared to enter an exclusive contract with the proprietor and to cancel all other trading relationships with existing distributors of the applicant's product. Evidence to support the applicant's case will be submitted later in proceedings.*"

6. Lastly, the applicant relies on the combined provisions of Sections 5(1), 5(2) and 5(3) and Section 56 of the Act, claiming protection for earlier trade marks under Section 6(1)(c) which are allegedly well-known trade marks as defined by Section 56(1). Under this ground, the applicant claims to be the owner of four well-known trade marks as per Section 56(1), namely those identified as registrations no. 1250762 (in the invalidity against the first mark) and 1256099 (in the invalidity against the second mark) which, the applicant claims, enjoy particular fame throughout Canada, and registration no. 3823482 (in the invalidity against the first mark) and 3927182 (in the invalidity against the second mark) which, the applicant claims, enjoy particular fame throughout the USA, but also the UK.

7. The proprietor filed a counterstatement in each invalidity, denying the claims made. In particular, the proprietor states that:

1. It registered the contested marks with the intent of genuine commercial use in the UK, with no knowledge or intent to misappropriate the applicant's brand or packaging design.

2. The applicant did not demonstrate any earlier rights to the packaging or brand in the UK at the time of registration. As such, there is no valid basis for cancellation under UK law.

3. It is acknowledged that the applicant has trade marks in the USA. However, trade mark rights are territorial in nature. The existence of a similar or identical trade mark in another jurisdiction, such as the USA, does not automatically invalidate or prevent the registration of a trade mark in the UK. The differences in packaging, presentation, and market context should be considered. The UK market has unique circumstances that distinguish it from the US market, and the UK trade mark reflects those distinctions.

8. The proprietor is unrepresented; whilst the applicant is represented by HGF Limited.

9. Only the applicant filed evidence in these proceedings. No hearing was requested and only the applicant filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

Relevance of EU Law

10. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK’s withdrawal from the EU.

EVIDENCE

11. The applicant's evidence came in the form of a witness statement from RJ O'Young (with exhibits RO1 to RO15) dated 4 February 2025. Mr O'Young holds the position of administration at the applicant's company.

12. I do not intend to summarise the evidence in full here. However, I confirm that I have taken all filed documents into account and will summarise them to the extent that I deem necessary below.

Section 47

13. Section 5(4)(a), Section 3(6) and Section 56 of the Act all have an application in invalidation proceedings by virtue of Section 47 of the Act, which states as follows:

> "47. (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).
>
> …..
>
> (2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-
>
> > (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
> >
> > (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,
> >
> > unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.
>
> […]

> (5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.
>
> (5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.
>
> (6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed."

Section 5(4)(a)

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

> "(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."

15. Subsection (4A) of Section 5 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."

16. 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)."

17. Halsbury's Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception. In paragraph 636 it is noted (with footnotes omitted) that:

> "Establishing a likelihood of deception generally requires the presence of two factual elements:
>
> (1) that a name, mark or other distinctive indicium used by the claimant 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 indicium 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 two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which 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 claimant and the defendant carry on business;

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

(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 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."

The relevant date for Section 5(4)(a)

18. In *Advanced Perimeter Systems Limited v Multisys Computers Limited,* BL O-410-11, Mr Daniel Alexander QC (now KC), sitting as the Appointed Person, endorsed the registrar's assessment of the relevant date for the purposes of Section 5(4)(a) of the Act, 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.' "

19. The proprietor of the marks subject to the present invalidity actions did not file any evidence in these proceedings. Hence, the only relevant date I need to consider is the filing date of the contested marks, which is the same for both marks, namely 10 January 2024.

Goodwill

20. The meaning of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL) as follows:

> "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."

21. As regards the proof of goodwill, 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 that 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."

22. 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."

23. Goodwill must be more than trivial in extent. In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

"62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used "but had not acquired any significant reputation" (the trial judge's finding). Again that shows one is looking for more than a minimal reputation."

24. In *Smart Planet Technologies, Inc. v Rajinda Sharma* (BL O/304/20), Mr Thomas Mitcheson QC (now KC), 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."

25. After reviewing the evidence relied on to establish the existence of a protectable goodwill Mr Mitcheson found as follows:

"The evidence before the Hearing Officer to support a finding of goodwill for Party A prior to 28 January 2018 amounted to 10 invoices issued by Cup Print in Ireland to two customers in the UK. They were exhibited to Mr Lorenzi's witness statement as exhibit WL-10. The customers were Broderick Group Limited and Vaio Pak.

37. The invoices to Broderick Group Limited dated prior to 28 January 2018 totalled €939 and those to Vaio Pak €2291 for something approaching 40,000 paper cups in total. The invoices referred to the size of "reCUP" ordered in each case. Mr Lorenzi explained that Broderick Group Limited supply coffee vending machines in the UK. Some of the invoices suggested that the cups were further branded for onward customers e.g. Luca's Kitchen and Bakery.

38. Mr Rousseau urged me not to dismiss the sales figures as low just because the product was cheap. I have not done so, but I must also bear in mind the size of the market as a whole and the likely impact upon it of selling 40,000 cups. Mr Lorenzi explained elsewhere in his statement that the UK market was some 2.5 billion paper coffee cups per year. That indicates what a tiny proportion of the market the reCUP had achieved by the relevant date.

39. Further, no evidence was adduced from Cup Print to explain how the business in the UK had been won. Mr Rousseau submitted to me that the average consumer in this case was the branded cup supplier company, such as Vaio Pak or Broderick Group. No evidence was adduced from either of those companies or from any other company in their position to explain what goodwill could be attributed to the word reCUP as a result of the activities and sales of Cup Print or Party A prior to 28 January 2018.

40. Various articles from Packaging News in the period 2015-2017 had been exhibited but again no attempt had been made to assess their impact on the average consumer and these all pre-dated the acquisition of the goodwill in the UK. I appreciate that the Registry is meant to be a less formal jurisdiction than, say, the Chancery Division in terms of evidence, but the evidence submitted in this case by Party A as to activities prior to 28 January 2018 fell well short of what I consider would have been necessary to establish sufficient goodwill to maintain a claim of passing off.

41. This conclusion is fortified by the submissions of Party B relating to the distinctiveness of the sign in issue. Recup obviously alludes to a recycled, reusable or recyclable cup, and Party B adduced evidence that other entities around the world had sought to register it for similar goods around the same time. The element of descriptiveness in the sign sought to be used means that it will take longer to carry out sufficient trade with customers to establish sufficient goodwill in that sign so as to make it distinctive of Party A's goods."

26. 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 goodwill and reputation may be small. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, the Court of Appeal in England and Wales held that the defendant had passed off its LUMOS nail care products as the claimant's goods. The claimant had been selling LUMOS anti-ageing products since 2007. The goods retailed at prices between £40 and £100 per bottle. The Claimant's sales were small, of the order of £2,000 per quarter from early 2008 to September 2009, rising to £10,000 per quarter by September 2010. The vast majority of these sales were to the trade, including salons, clinics and a market. As at the relevant date (October 2010) the Claimant had sold to 37 outlets and by that date it was still selling to 25 outlets. There was evidence of repeat purchases. Although the number of customers was small, or, as the judge at first instance put it, *"very limited",* the claimant's goodwill was found to be sufficient to entitle it to restrain the defendant's trade under LUMOS.

27. Mr O'Young's evidence is as follows.

28. The applicant's company was founded in 1988. In the first part of his evidence, Mr O'Young talks about the success of the applicant's company in the USA and in Canada. However, this is not pertinent for purpose of the applicant's claim because the goodwill necessary to sustain an action for passing off must relate to trading activities in the UK. Insofar as it is relevant here, this evidence merely establishes that the applicant's business began selling green teas, and that it later expanded to include a wide variety of products, all consisting of tea collections.[1]

[1] Exhibit RO1

29. Mr O'Young states that the applicant has been selling the *"Legends of China"* collection since 1995, and that it is one of their bestselling tea collections. He also states that this collection was sold in the UK since 2001 under marks which are identical to the proprietor's first and second trade mark (as well as a black and white version of the former) via its distributors in relation to a variety of tea products.

30. In relation to UK specific evidence, Mr O'Young provides evidence about the marketplace for herbal tea as well as evidence about the applicant's sales.

31. As regards the UK marketplace for herbal tea, Mr O'Young states that (a) the herbal tea sector in the UK is vastly growing and in the five years prior to the witness statement, sales of fruit and herbal teabags have increased by 24%, with the sale of green teabags increasing by 41%; and (b) the green tea and infusions market is increasing 8% year on year. This information appears to have been extracted from an online article[2] published on the website www.northern-tea.com which appears to be undated. Another online article from 2023 taken from the website www.teaandcoffee.net,[3] states that the popularity of botanical and herbal teas in the UK is steadily growing. Mr O'Young comments on this evidence by saying that "*given the demand, herbal tea producers and suppliers, such as [the applicant] are expanding their portfolios and increasingly selling more tea products in the UK".* Furthermore, Mr O'Young states that this information is relevant given that the applicant has *"a material share of this UK market".* However, there is no information about the size of the market for tea/herbal tea or the share of the market the applicant holds under the signs in relation to which goodwill is claimed.

32. Mr O'Young states that the applicant's products are available to UK consumers on a number of e-commerce sites such as eBay UK, John Bell & Croyden, Nature Therapy, and other independent websites and that, as such, consumers are aware of the applicant's brands and the products that the applicant sells.[4]

[2] Exhibit RO6
[3] Exhibit RO7
[4] Exhibit RO8

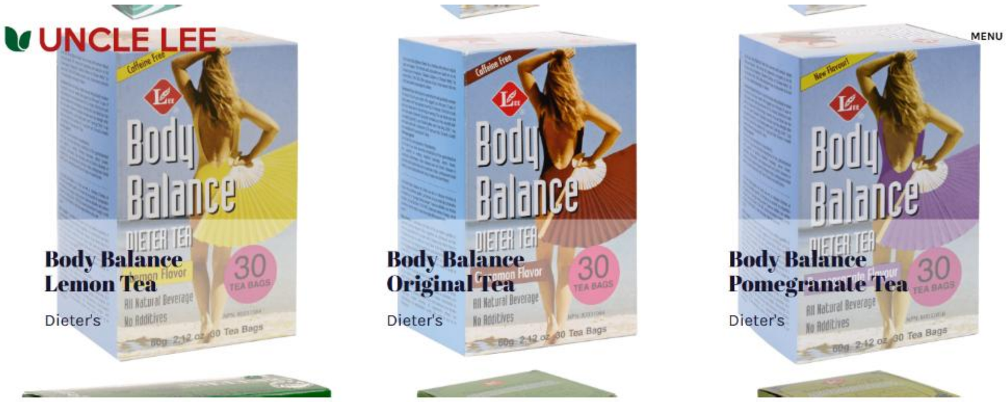
33. In terms of sales and invoices, Mr O'Young states that the applicant's sales in the UK since 2018 have been substantial and provides the following breakdown of turnover:

YEAR	TURNOVER (£)
2024	81,162
2023	71,294.40
2022	10,550.27
2021	29,137.68
2020	22,610.52
2019	19,898.64
2018	16,254.54

34. Although Mr O'Young states that these figures indicate a high turnover, I do not consider them to be high, even considering that the goods concerned (i.e. tea) are sold at low price point. The total I have calculated from the table above amounts to approximately £170,000 worth of turnover generated during the 6-year period prior to the relevant date.

35. I pause here to notice that the signs relied upon by the applicant in these proceedings are only two of many used by the applicant. Examples of product packaging showing the various brands mentioned by Mr O'Young have been produced.[5] They are completely different from the signs/packaging relied upon:

[5] Exhibit RO1



36. Even more notably, whilst Mr O'Young says that the "Legends of China" collection was sold under the signs relied upon, it appears to be a collection that include goods sold under different signs/packaging from those relied upon, as shown below:

37. Lastly, the evidence indicates that the signs relied upon by the applicant in these proceedings (which are shown below) are identified in marketing material under a different brand name, i.e. the 'DIETER DRINK', as opposed to the name "Legends of China", which is how Mr O'Young refers to them in the evidence:

The signs relied upon by the applicant	How the sign is presented in evidence
	
	

38. Admittedly, other evidence shows the applicant's signs/packaging as being referred to using both brands, namely 'Legends of China' and 'Dieter Tea/Drink', as shown below:

39. Nevertheless, in this evidence the product description refers to 'China Green Dieter Brand' and does not mention "Legends of China" as the brand:

China Green Dieter Brand is blended with the premium natural herbs. The formula and preparation are based on an old chinese book of medicine, "Detailed Outlines on Chinese Herbs", by Lee Se-Zhen, 1518-1593. After centuries of use, it has proven to be one of the best healthy beverages for dieters.

40. This means that when Mr O'Young refers to the signs relied upon as "Legends of China" I cannot be certain whether they are the signs relied upon in these proceedings or different signs. This is because, as I have explained above: (1) the 'Legends of China' collection include signs/packaging other than those relied upon here; and (2) the signs/packaging relied upon here are also identified by reference to a different brand name, i.e. the 'DIETER DRINK'.

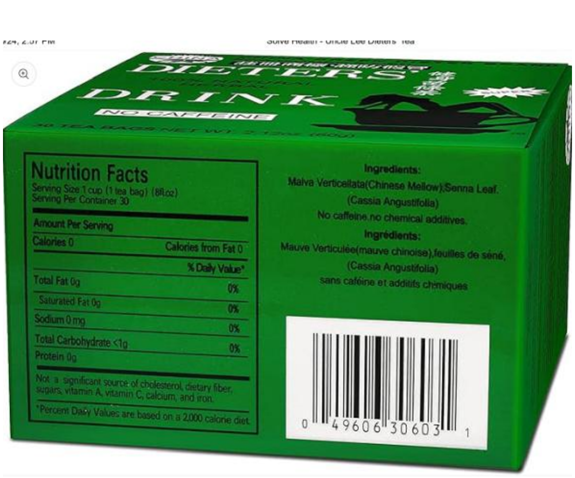
41. Another problem with the evidence filed is that the UK turnover figures are not broken down by brand. In this connection, I note that in the first part of his witness

statement, Mr O'Young says that the applicant's collections of tea include multiple brands including *"Legends of China", "Body Balance", "Simply Delicious", "Organic Panda", "Imperial Organic", and "Organic Bamboo".* This is significant, because Mr O'Young does not say that the turnover relates specifically to products sold under the signs relied upon. It follows that it is not possible to determine what proportion of the turnover relate specifically to goods sold under the signs relied upon.

42. However, this problem is partially addressed by the invoices which provide specific information about goods sold under the signs relied upon. Two lots of invoices are produced.[6] They are issued by the applicant to customers and distributors and include goods sold under the brand 'Legends of China Dieters Brand' (which is effectively a packaging that incorporates the two signs relied upon), as well as goods sold under other brands. Bearing in mind that:

- Mr O'Young states that the code name of the 'Legends of China Dieters Brand' tea is CG30603 on all invoices;

- the evidence indicates that the same product code (see the last five digits of the bar code 30603 shown below) is displayed on the packaging incorporating the two signs relied upon in these proceedings:



[6] Exhibits RO9-10

I am content to proceed on the basis that the following amounts of goods/turnover (which are identified on the invoices by the code CG30603) are goods sold under the signs relied upon: £50.40 (invoice dated 29 June 2016), £120.96 (invoice dated 22 September 2017), £5,826.24 (invoice dated 26 March 2018), £6,894.72 (invoice dated 14 March 2019), £4,149.60 and £169.68 (invoice dated 10 March 2022), £4,368 (invoice of 24 July 2023), £2,839 (invoice of 2 April 2024, however, this is after the relevant date) for a total of approximately £21,580 worth of goods sold prior to the relevant date.

43. In addition to this evidence, Mr O'Young produces copies of invoices issued by the applicant to its UK distributor Capital Cliff; although the price on these invoices has been redacted, the quantity sold is visible and based on previous invoices (which show both the units sold and the price) I have worked out a price per unit of £1.67 which I will apply to the quantity of goods sold as demonstrated by those invoices. The quantity shown by these invoices are as follows: 520 (invoice dated 23 July 2024, however, this is after the relevant date), 2,600 (invoice dated 24 July 2023), 2,210 (invoice dated 13 September 2024, however, this is after the relevant date) – discounting the units which were sold after the relevant date, this would add a value of £4,342 to the previous total of £21,580, bringing the overall total to £25,922 worth of tea goods sold prior to the relevant date under the applicant's signs.

44. Lastly, historical invoices dated between 2002 and 2015 are exhibited and show sales of the following units of goods identified by the code CG30603: 84 (2002), 504 (2003), 432 (2004), 1,200 (2005), 1,464 (2006), 1,200 (2007), 888 (2008), 1,800 (2009), 2,610 (2010), 7,668 (2011), 6,294 and 699 (2012), 6060 and 1010 (2013), 6,192 (2014), 5,850 (2015) for a total of 43,955 units sold which would correspond to a value of £73,404[7] between 2002 and 2015.

45. In terms of marketing, Mr O'Young says that the applicant's goods are promoted through the applicant's website at www.unclelee.com, as well as through the applicant's social media accounts.[8] Mr O'Young also states that the applicant invests

[7] I have calculated the value based on the price per unit of £1.67
[8] Exhibit RO11

heavily in promoting its products under the marks. It further states that the applicant promotes heavily on Amazon using Witz Industries LLC ("Witz") and explains that Witz helps over 100 hundred health and beauty brands to grow their brand on e-commerce sites such as Amazon, Walmart, eBay etc. Copies of invoices detailing the amount the applicant spent on advertising are exhibited.[9] However, this marketing spent appears to relate to the USA. I say this because although there is no evidence on the point, Witz Industries LLC must be a USA company since there is no "LLC" legal entity under UK law (but it exists under USA law). Since the invoices produced must relate to promotional activity carried out in the USA, this evidence is not helpful for the purpose of demonstrating goodwill in the UK, and I will disregard it.

46. Let me now draw the threads together.

47. Notwithstanding the deficiencies relating to the turnover evidence, the information from the invoices enables the conclusion that the applicant sold around £100,000 (£25,922 + £73,404) worth of tea goods in the UK prior to the relevant date under the signs relied upon, with over a quarter of that amount being sold in the 6 years prior to the relevant date. Although these figures are not strikingly high, taking into account the low value of the goods, it does equate to nearly 60,000 (£100,000/£1.67) units sold. Further, the applicant's use is relatively long-standing covering a period of over 20 years, with continuous trading activity in the UK and the applicant had, prior to the relevant date, an official UK distributor. Lastly, the proprietor has neither challenged this evidence, nor has it commented on it.

48. Overall, I consider that the evidence demonstrates that a small, but more than trivial goodwill, had been established at the relevant date under the signs pleaded in each invalidity action in relation to tea products.

49. For the sake of completeness, I should say that whilst the evidence indicates that the first sign is used as part of the second sign (see below on the left top corner), it is sufficiently distinctive and sufficiently independently and prominently displayed, that I am prepared to accept that more than trivial goodwill was associated with it:

[9] Exhibit RO12

Misrepresentation and damage

50. In terms of misrepresentation and damage, in each invalidity action, both the signs and the goods in relation to which the applicant has established goodwill are identical to the marks and the goods which are subject to the invalidity action. Accordingly, given the identity of the goods and the signs/marks, misrepresentation and damage are inevitable. The two invalidity actions based on Section 5(4)(a) are successful in their entirety.

51. I now turn to the ground based on Section 56 of the Act and Article 6bis of the Paris Convention.

Section 56 of the Act and Article 6bis of the Paris Convention

52. The applicant seeks to rely on four well-known marks under Article 6bis of the Paris Convention, and Section 56 of the Act. Those are set out above.

53. Section 56 of the Act states as follows:

> "56 Protection of well-known trade marks: Article 6bis.

(1) References in this Act to a trade mark which is entitled to protection under the Paris Convention as a well known trade mark are to a mark which is well-known in the United Kingdom as being the mark of a person who—

(a) is a national of a Convention country, or

(b) is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country, whether or not that person carries on business, or has any goodwill, in the United Kingdom. References to the proprietor of such a mark shall be construed accordingly.

(2) The proprietor of a trade mark which is entitled to protection under the Paris Convention or the WTO agreement as a well known trade mark is entitled to restrain by injunction the use in the United Kingdom of a trade mark which, or the essential part of which, is identical or similar to the well known trade mark—

(a) in relation to identical or similar goods or services, where the use is likely to cause confusion, or

(b) where the well known trade mark has a reputation in the United Kingdom and the use of the other trade mark—

(i) is without due cause, and

(ii) takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the well known trade mark.

This right is subject to section 48 (effect of acquiescence by proprietor of earlier trade mark).

(2A) Subsection (2)(b) applies irrespective of whether the goods or services in relation to which the other trade mark is used are identical with, similar to or not similar to those for which the well known trade mark is entitled to protection.

(3) Nothing in subsection (2) affects the continuation of any bona fide use of a trade mark begun before the commencement of this section.

54. Section 6(1)(c) of the Act states as follows:

"Meaning of "earlier trade mark".

(1) In this Act an "earlier trade mark" means—
[…]

(b) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was entitled to protection under the Paris Convention as a well known trade mark.

55. In order to rely on its marks under this ground the opponent would therefore have to show that (1) the marks were entitled to protection under the Paris Convention as being the marks of a person who is a national of a Convention country, or is domiciled in, or has a real and effective industrial or commercial establishment in, a Convention country, and (2) the marks were well-known to the UK public.

56. Even assuming that the applicant's US and Canadian registrations are earlier marks entitled to protection under the provisions of Article 6bis of the Paris Convention, the evidence is insufficient to establish the second condition, i.e. that they are well-known to the UK public. I now explain why I have reached that conclusion.

57. In determining whether a mark is a well-known mark within the meaning of the Paris Convention, the competent authority can take into account any circumstances from which it may be inferred that the mark is well known, including: the degree of knowledge or recognition of the mark in the relevant sector of the public; the duration, extent and geographical area of any use of the mark; the duration, extent and geographical area of any promotion of the mark, including advertising or publicity and the presentation, at fairs or exhibitions, of the goods and/or services to which the mark applies; the duration and geographical area of any registrations, and/or any

applications for registration, of the mark, to the extent to which they reflect use or recognition of the mark; the record of successful enforcement of rights in the mark, in particular, the extent to which the mark has been recognised as well known by competent authorities; the value associated with the mark.[10]

58. In the present case, there is no evidence of the degree of knowledge or recognition of the marks in the relevant sector of the public in the UK. Further, there are no specific UK turnover figures and the sales figures I have calculated, whilst sufficient to establish a more than trivial goodwill, are relatively small. There is no UK marketing spend and very little evidence of marketing, mostly limited to undated screenshots from various websites showing the goods available for sale. Lastly, there is nothing to indicate that the marks have been recognised as well known by the competent authorities, neither in the UK, nor outside the UK, and the picture painted by the evidence is, if anything, of a small level of trade with little or no marketing promotion. This is clearly far from showing that the marks were well-known to the UK public at the relevant date. Accordingly, the invalidity actions based on Section 56 fail in their entirety.

Section 3(6)

59. Section 3(6) of the Act states:

> "(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith."

60. In *SkyKick UK Ltd & Anor v Sky Ltd & Ors (Rev1)* [2024] UKSC 36, Lord Kitchin summarised the general principles applicable to bad faith at [240] as follows:

> "(i) […]

[10] Article 2 of the joint recommendation concerning the provisions on the protection of well-known trade marks, adopted by the Assembly of the Paris Union for the Protection of Industrial Property and the General Assembly of the World Intellectual Property Organisation (WIPO) at the 34th series of meetings of the assemblies of the Member States of the WIPO (of 20 to 29 September 1999). See also *Ricote Saugar (BoomerangTV)* [2008] ECR II-837, paragraph 80

(ii) The date for assessing whether an application to register [a] trade mark was made in bad faith is the date the application for registration was made (*Lindt*, para 35).

(iii) Bad faith in this context is an autonomous concept of EU law which must be given a uniform interpretation […], and must be interpreted in the context of Directive 89/104 in the same manner as in the context of Regulation 40/94 ([*Malaysia Dairy Industries Pte Ltd v Ankenaevnet for Patenter og Varemaerker* (C-320/12) EU:C:2013:435 ("*Malaysia Dairy*")], para 29; [*Sky plc v SkyKick UK Ltd* (C-371/18) EU:C:2020:45 ("*Sky CJEU*")], para 73).

(iv) While, in accordance with its usual meaning in everyday language, the concept of bad faith presupposes the presence of a dishonest state of mind or intention, the concept must also be understood in the context of trade mark law, which involves the use of marks in the course of trade. Further, it must have regard to the objectives of the […] law of trade marks, namely the establishment and functioning of […] a system of undistorted competition in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable consumers, without any possibility of confusion, to distinguish those goods or services from those which have a different origin (*Lindt*, para 45; [*Koton Mağazacilik Tekstil Sanayi ve Ticaret AS v European Union Intellectual Property Office (EUIPO)* (C-104/18) EU:C:2019:724 ("*Koton*")], para 45).

(v) Consequently, the objection will be made out where the proprietor made the application for registration, not with the aim of engaging fairly in competition but either (a) with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties; or (b) with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, and in particular the essential function of indicating origin (*Koton*, para 46; *Sky CJEU*, para 75).
(vi) The intention of the applicant is a subjective matter, but it must be capable of being established objectively by the competent administrative or judicial authorities having regard to the objective circumstances of the case (*[Hasbro*

Inc v *EUIPO, Kreativni Dogaaji d.o.o. (intervening)* (Case T-663/19) EU:T:2021:211 ("*Hasbro*")], paras 39 and 40; *Koton*, para 47).

(vii) The burden of proving that an application for a registered mark was made in bad faith lies on the party making the allegation. But where the circumstances of the case may lead to a rebuttal of the presumption of good faith, it is for the proprietor of the mark to explain and provide a plausible explanation of the objectives and commercial logic pursued by the application for registration (*Hasbro*, paras 42 and 43).

(viii) Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all of the factors relevant to the particular case (*Lindt*, para 37).

(ix) The applicant for a trade mark is not required to indicate or to know precisely when the application is filed or examined, the use that will be made of it (*Sky CJEU*, para 76; [*AS v Deutsches Patent-und Markenamt* (C-541/18) EU:C:2019:725], para 22).

(x) Nevertheless, the registration by an applicant of a mark without any intention to use it in relation to the goods and services covered by the registration may constitute bad faith where there is no rationale for the application in the light of the aims referred to in Regulation 40/94 and Directive 89/104 (*Sky CJEU*, para 77).

(xi) Such bad faith may, however, be established only where there are objective, relevant and consistent indicia tending to show that, when the application was filed, the applicant for registration had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark (*Sky CJEU*, para 77).

(xii) It follows that the bad faith of the applicant cannot be presumed on the basis of a mere finding that, at the time of filing the application, the applicant had no economic activity corresponding to the goods and services referred to in the application (*Sky CJEU*, para 78).

(xiii) When the absence of an intention to use the mark in accordance with the essential functions of a trade mark concerns only certain goods or services referred to in the application for registration, that constitutes making the application in bad faith only in so far as it relates to those goods or services (*Sky CJEU*, para 81).

(xiv) If, at the end of the day, the court concludes that, despite formal observance of the relevant rules and conditions for obtaining registration, the purpose of the rules has not been achieved, and that there was an intention to take advantage of the rules by creating artificially the conditions laid down for obtaining the registration, this may amount to an abuse sufficient to find that the application was made in bad faith (see, for example, *Hasbro*, para 72).

(xv) Directive 89/104 does not preclude a provision of national law under which an applicant for registration must state that the mark is being used in relation to the goods or services in relation to which it is sought to register the mark, or that the applicant has a *bona fide* intention that it should be used, provided that infringement of such an obligation cannot constitute a ground for invalidity. It may, however, constitute evidence for the purposes of establishing possible bad faith on the part of the applicant when the application was filed (*Sky CJEU*, paras 86 and 87)."

61. The essence of bad faith objection is that applicant's intended conduct is a departure from accepted principles of ethical behaviour or honest commercial practices. In *SkyKick UK Ltd & Anor v Sky Ltd & Ors (Rev1)* [2024] UKSC 36, Lord Kitchin considered the question of what amounts to bad faith. He underlined that the categories of bad faith and the circumstances which may constitute bad faith are not closed, and continued:

"152. In seeking to identify the relevant principles, it is necessary to have in mind two fundamental aspects of trade mark law to which I have already referred: first, it is concerned with the use of marks in trade to denote the origin of goods and services. Secondly, the aim of the trade mark regime is to contribute to a system of undistorted competition in which businesses are able to attract and retain customers by the quality of their goods and services, and for that purpose are able to have registered signs which enable consumers to distinguish the goods and services of one undertaking from those of another. Such a system must also provide an incentive and protection for the investment by a brand owner in the quality and other beneficial aspects of its goods and services, and so allow it to develop a goodwill in its business relating to their sale and supply.

153. Against this background, the essence of the objection that an application to register a mark was made in bad faith may be understood: it is that the motive or intention of the applicant was to engage in conduct that departed from accepted principles of ethical behaviour or honest commercial practices having regard to the purposes of the trade mark system which I have described. Whether the conduct was undertaken with that motive or intention and did indeed depart from such ethical behaviour or honest commercial practices must be assessed having regard to all the objective circumstances of the case: see, for example, *Koton Mağazacilik Tekstil Sanayi ve Ticaret AS v European Union Intellectual Property Office (EUIPO)* (C-104/18) EU:C:2019:724 ("*Koton*"), paras 46 and 47 […]."

62. The correct approach to assessing bad faith was set out in *Alexander Trade Mark*, BL O/036/18. The key questions for determination in a claim of bad faith are:

(a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?

(c) Was that an objective for the purposes of which the contested application could not be properly filed? and

(d) Was it established that the contested application was filed in pursuit of that objective?

63. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited* and others, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

64. The applicant's claim under this ground is that the proprietor's marks are identical to the applicant's signs/marks and that the proprietor has filed to register the contested marks in bad faith with dishonest intentions which fall short of acceptable commercial behaviour. In particular, the applicant complains that the proprietor has, since obtaining its registration, instigated numerous Amazon take-downs of products offered for sale by the applicant's legitimate distributors and that when contacted by the applicant, the proprietor refused to surrender its registrations unless the applicant was prepared to enter an exclusive contract with the proprietor and to cancel all other trading relationships with existing distributors of the applicant's product.

65. The evidence in support of the applicant's bad faith pleadings is as follows.

66. Mr O'Young states that on the 18 May 2024 the applicant received an email from one of its distributors notifying that the proprietor had filed an application to register trade marks identical to those used by the applicant in the UK. On 22 May 2024, the applicant sent a letter to Amazon informing them that the proprietor was not an approved brand representative.[11] The applicant also contacted the proprietor via email about the matter and received an email response on 30 May 2024 from info@naturetherapy.co.uk from an individual called Baifan Yang who advised that he was responding on behalf of the proprietor. Mr Yang stated that they were "*very interested in understanding more about your concerns and finding a suitable resolution*" but asked Soumia, a colleague of Mr O'Young (i.e. the person who sent the

[11] Exhibit RO13

email on behalf of the applicant), to verify her position within the applicant so they could ensure that they were communicating with the right person to address the matter more efficiently.

67. On 30 May 2024 Soumia responded to info@naturetherapy.co.uk confirming that she was the office manager at the applicant. She also confirmed that she had copied the vice president, James O'Young, into the email. Exhibited at RO13 is copy of that email. I can see that Soumia mentions that early that year Vipin Patel from Capital Cliff (i.e. the applicant's distributor), asked the applicant to provide the proprietor with a letter in order to authorise the sale of the applicant's products which they did. Soumia's response also indicates that the proprietor was a customer of the applicant's distributor, i.e. a sort of sub-distributor of the applicant's goods. She stated:[12]

> *"Basically, we are surprised that your company proceeded in registering our brand with IPO UK.*
>
> *Initially Vipin Patel from Capital Cliff asked us early this year to provide you a letter so you can continue selling our product in the UK/Amazon which we gladly did. Since we have very longstanding relationship with Vipin we trust him and did not hesitate to help his customers. However, that letter does not give the right to register our brands 'China Green Dieters Tea' and 'Legends of China' under Anwen Co. This is already creating huge problems for us in the UK market.*
>
> *Please understand that we have been selling our products in the UK market for decades and we have never faced any issues until this sudden trade mark registration. Therefore, we ask you to please cancel all Uncle Lee's Tea trade mark immediately with the IPO UK, we will then proceed in registering the brand under our company name that own the brand".*

68. A previous email from 21 May 2024 between Soumia (from the proprietor) and Vipin (from the proprietor's main distributor), also reveals that Nature Therapy (which

[12] Exhibit RO13

replied on behalf of the proprietor) had been a previous purchaser of the applicant's goods, some years before the proprietor proceeded to registering the marks. She stated:[13]

> *"Good Morning Vipin,*
>
> *….*
>
> *I am wondering why we were asked to provide the letters to Nature Therapy then if they don't purchase our item since 2021? Why would they proceed in the trouble of registering our brand under Nature Therapy if they did not purchase our product in years!*
>
> *Like I explained in the past, anyone in the UK can still sell our products, no one has the exclusivity.*
>
> *Can you please provide us with Nature Therapy contact information?"*

69. A copy of an email dated 16 January 2024 relating to the licence letter is also produced. It was sent from Vipin to Soumia and reveals some further information, namely that Natures Therapy is a brand associated with the proprietor and that the person behind both the brand Nature Therapy and the applicant's company is an individual called Baifan Young (i.e. the same person who replied to Soumia on behalf of the proprietor). It also reveals that Natures Therapy was a wholesaler of the applicant's distributor. It states:

> *"Hi Soumia*
>
> *Thank you for providing the letter for Natures Therapy our Wholesaler who replied as below :*
>
> > *Dear Vipin,*

[13] Exhibit RO14

I appreciate your assistance in obtaining the letter from Uncle Lee. I've noticed a mistake that needs correction. Nature Therapy is a brand associated with my company, Anwen Co Ltd, and not a separate entity. Could you please request Uncle Lee to rectify this error? Your support in this matter would be greatly appreciated.

Can you kindly amend the Letter of Natures Therapy that you sent and re send with the above name please?
Thank you in advance for doing this."

70. Furthermore, copy of a letter which was sent from the applicant to Amazon UK on 22 May 2022 refer to Nature Therapy and Anwen Co Ltd (i.e. the proprietor) as the same entity. It states:[14]

"*To Amazon team:*

Uncle Lee's Tea, the brand owner of Uncle Lee's Tea Brand does not recognize or accept Anwen Co Ltd (Nature Therapy) as an approved brand representative or a distributor of our Uncle Lee's Tea products in the UK. We have not given them the authority to register our brand with IPO under their company name or any other company name. Thus, we are surprised to learn that they registered our brand without consulting with us.

In addition, we cannot prove that the items they are selling on Amazon are genuine.

We are in the process to contact Anwen directly to resolve this issue and we will take any legal action necessary in the future."

71. A chain of emails dated 11 January 2024 reveals that two licence letters, one for Capital Cliff (i.e. the proprietor's distributor) and one for Natures Therapy were sent from Soumia to Vipin and that this was prompted by Amazon requesting such letters

[14] Exhibit RO13

to sell the proprietor's tea products on the Amazon platform. Further emails confirm that Natures Therapy was a wholesaler customer of the applicant's distributor and that the applicant was happy to release the letters because its other partners/distributors did not cover Amazon sales.

72. Copy of the licence letter dated 11 January is attached. It states:

> To whom it may concern:
>
> Uncle Lee's Tea, the brand owner of the UK trademark Uncle Lee's Tea, recognizes Natures Therapy Ltd. as an approved brand representative and distributor of Uncle Lee's Tea products on Amazon United Kingdom.
>
> As such, I grant Natures Therapy Ltd. the right to register and/or manage the use of the Uncle Lee's Tea trademark on the Amazon Brand Registry in the UK on our behalf.

73. Mr O'Young pointed out that the applicant provided the letter due to its long-standing relationship with Vipin but confirmed to the proprietor that the letter authorised the sales of the applicant's goods, not the registration of the applicant's marks. In this connection, it is significant that the letter states that the applicant granted Natures Therapy Ltd the right to register the applicant's trade marks on the Amazon Brand register, not with the UKIPO. Indeed, the reference to Natures Therapy Ltd is a mistake because as the email of 16 January 2024 confirms, Natures Therapy is not a company but only a brand whilst Anwen Co Ltd is the company who owns that brand Natures Therapy.

74. The last piece of evidence consists of an email which was sent on 3 June 2024 from Bifan, from the email address info@natureteraphy.co.uk, to Soumia and James O'Young from the applicant's company. Bifan describes himself as the general manager of the proprietor. It stated:[15]

"Dear Soumia and James,

[15] Exhibit RO15

I hope this letter finds you well. I am writing to formally introduce myself and my business partner, Qian, to you and lames. My name is Bafan, and you can call me Leon. I serve as the General Manager of Anwen Co Ltd, while Qian holds the position of Director. We have been committed partners with your company since 2015, distributing your products with dedication and integrity.

Our journey with your company began when Ana Turner, one of your esteemed staff members, responded to my initial inquiry and introduced us to Vipin. At that time, your company was utilizing a Gmail email account. Since then, we have enjoyed a stable relationship, successfully marketing your products alongside a few other US-based sellers.

However, significant changes have disrupted the market since the entry of Nature Design Ltd. This company contacted Vipin, requesting to import your products into the UK while declaring a reduced price and quantity to evade taxes. Vipin rightfully refused this unethical request, and he possesses the email correspondence from Nature Design Ltd as evidence. Despite this, Nature Design Ltd managed to introduce this product into the market and commenced their operations in 2023. I have attached the relevant communication from Nature Design Ltd for your reference.

The representative from Nature Design Ltd has asserted that they are the brand owners in the UK and that selling the product on Amazon requires a license from them, not your company. They provided so-called documentation claiming their registration of the brand. Consequently, I instructed Vipin to contact you to request an official letter from your company. However, before we received your letter on January 11, 2024, I had already initiated the trademark registration on January 10, 2024. The fact remains that without a registered trademark, anyone could potentially register it. Fortunately, we, long-time honest sellers, secured the trademark.

It is essential to acknowledge that the situation created by Nature Design Ltd has severely disrupted the UK market. They have been selling your product at an unreasonably low price, making it impossible for long-standing sellers to *compete. Additionally, he created a listing under the Nature Design brand, using the product's image and affixing their logo with a sticker to conceal the original branding. This practice has devalued your product significantly. This situation should have been within your awareness, but it appears no action was taken to address it. Many long-term sellers, including ourselves, have been unable to compete with their prices. This has resulted in considerable financial losses for us, especially with the remaining stock from batch 06.2025, where each unit sold incurs a loss of at least one pound.*

In light of these developments, I must inform you that we will not withdraw the trademark registration. To resolve this issue amicably, I propose the following solutions:

1. Immediate Cessation of Nature Design Ltd's Sales: Nature Design Ltd should be prohibited from selling this product in the UK market. Regardless of their current stock levels, they must be removed from the market to restore fair competition.

2. Exclusive Agency Agreement: Anwen Co Ltd should be appointed as the exclusive agent and brand manager in the UK. We are prepared to handle the importation of the product directly from your company, ensuring compliance with all legal and ethical standards. A cooperative contract should be signed between your company and Anwen Co Ltd to formalize this arrangement.

Should you find these terms unacceptable, it will result in the withdrawal of this product from the UK market entirely, rendering it unavailable for sale by any party.

I trust you will understand the gravity of the situation and look forward to your prompt and favourable response to restore order and fairness to the market."

75. The last document exhibited is a letter 21 May 2024 granting a licence similar to that granted to the proprietor to Nature Design Company Ltd. It states:

"To whom it may concern:

Uncle Lee's Tea, the brand owner of the UK trademark Uncle Lee's Tea, recognizes Nature Design Company Ltd. as an approved brand representative and distributor of Uncle Lee's Tea products on Amazon United Kingdom.

As such, I grant Nature Design Company Ltd. the right to manage the use of the Uncle Lee's Tea. trademark on the Amazon Brand Registry in the UK on our behalf."

76. This is the most relevant evidence in support of the bad faith claim. It establishes that prior to the relevant date of 10 January 2024, the proprietor's company had been a distributor of the applicant's products. In this connection, the email of 3 June 2024 establishes that the collaboration between the applicant and the proprietor started back in 2015. The evidence also establishes that whilst the applicant's main distributor was Vipin Patel from Capital Cliff, the applicant worked with other partners/distributors; however, none of the applicant's partners/distributors was granted exclusivity rights in relation to the distribution of the applicant's goods in the UK. This is confirmed in an email of 11 January 2024 whereby Soumia told Vipin Patel that she would require another partner company called Nature Design Company Ltd to cease saying that they were the sole distributor of the applicant's goods in the UK, an issue to which Soumia was alerted by Vipin Patel himself.

77. There were therefore four companies involved in those events.

78. First, there was the applicant, who was the legitimate owner of two signs which are identical to the proprietor's contested marks. I reach this conclusion based on the following: (a) the evidence includes copies of the applicant's US and Canadian registrations for marks corresponding to the applicant's first mark with a registration date of 27 July 2010 and a filing date of 12 May 2021 respectively; this mark is also incorporated in the applicant's second sign (which is identical to the proprietor's second mark); and (b) the evidence indicates that the applicant used the two signs relied upon in these proceedings in relation to tea products which it marketed/exported in the UK since 2001- this evidence is unchallenged.

79. Second, there was Capital Cliff, who was the applicant’s main distributor in the UK.

80. Third, there was the proprietor who was a wholesaler of Capital Cliff and had distributed the applicant’s products in the UK since 2015.

81. Lastly, there was Nature Design Company Ltd who was another distributor of the applicant’s products and had started marketing the applicant’s products on Amazon UK. At some point prior to the relevant date, Nature Design Company Ltd attempted to prevent other distributors from selling the applicant’s goods on Amazon UK.

82. Although the licence letter of 11 January 2024 which was meant to grant the applicant the right to register and use the applicant’s trade marks on the Amazon brand registry was issued a day after the proprietor applied to register the contested marks (which are identical to the applicant’s signs), and although there is no clear evidence as to when exactly Vipin Patel asked the applicant to provide such license letters to himself and to the proprietor, the request must have been made earlier than 11 January 2024 (i.e. when the letters were issued), and earlier than the relevant date which is only one day earlier, i.e. 10 January 2024. Consequently, when the proprietor applied for the contested marks in the UK, it ought to have known that it was applying to get trade mark monopoly rights on signs which belonged to the applicant and in respect of which the applicant was going to issue the proprietor with a licence letter.

83. Although in his email of 3 June 2024, Bifan tries to justify the proprietor’s action by suggesting that the applications were made in order to protect the proprietor from the unfair competition put in place by Nature Design Company Ltd, who was another distributor of the applicants’ products and who deceivingly claimed to be the owner of the applicant’s signs, in those circumstances, a distributor acting in good faith would have alerted the applicant (as the legitimate owner of trade mark rights in the signs) about the situation, rather than taking the unilateral steps of applying for the marks in its own name. The fact that the proprietor later tried to use the registrations as a leverage to obtain an exclusive agency agreement from the applicant with the threat that in case of no agreement the proprietor would prevent the applicant and any other distributor from selling the applicant’s goods in the UK, only confirms the bad faith intention of the proprietor at the time when it filed the applications. Lastly as Mr RJ

O'Young confirmed in his witness statement, that threat was later implemented by the proprietor because since acquiring registrations for the applicant's trade marks, the proprietor has used these marks to stop the applicant's products from being sold to customers via Amazon.

84. The bad faith claim is successful. The applicant has put up a strong *prima facie* case of bad faith which has not been rebutted by the proprietor.

OUTCOME

85. The invalidity applications have been successful and the applicant's trade marks will be cancelled *ab initio*.

COSTS

86. The applicant has been successful in both invalidity actions and is, therefore, entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 1/2023. In the circumstances, I award the sum of £2,600, calculated as follows:

Preparing applications:	£800
Filing evidence:	£1,000
Written submissions:	£400
Official fees:	£400
Total	£2,600

87. I therefore order Anwen Co Ltd. to pay Uncle Lee's Tea the sum of £2,600. 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 13th day of July 2026

TERESA PINTO
For the Registrar