**O/0805/23**

**TRADE MARKS ACT 1994**

**CONSOLIDATED PROCEEDINGS**

**IN THE MATTER OF**
**APPLICATIONS NOS. UK00003602655 AND UK00003602719**
**BY ACCESSIBLE LABS LTD.**
**FOR THE TRADE MARKS:**

# CNVRG

# CNVRG.IO

**AND**
**OPPOSITIONS THERETO UNDER NOS. 600001955 AND 600001956**
**BY RUI QU (SHANGHAI) ENTERPRISE MANAGEMENT CONSULTING COMPANY LIMITED**

**AND**

**APPLICATION NO. UK00003594251**
**BY RUI QU (SHANGHAI) ENTERPRISE MANAGEMENT CONSULTING COMPANY LIMITED**
**FOR THE TRADE MARK:**

# CNVRG

**AND**
**OPPOSITION THERETO UNDER NO. 425411**
**BY ACCESSIBLE LABS LTD.**

## BACKGROUND AND PLEADINGS

1. This case concerns cross and consolidated opposition proceedings between Accessible Labs Ltd ("Accessible Labs") and Rui Qu (Shanghai) Enterprise Management Consulting Company Limited ("Rui Qu").

**The oppositions against Accessible Labs' applications nos. UK00003602655 and UK00003602719.**

2. On **11 December 2020**, Accessible Labs applied to register the trade marks CNVR and CNVRG.IO in the EU under nos. 018352967 and 018352969. Accessible Labs subsequently applied for the same marks in the UK under nos. UK00003602655 and UK00003602719 on 01 March 2021. The UK applications were made pursuant to Article 59 of the Withdrawal Agreement between the UK and the EU. Under the terms of that agreement, Accessible Labs is entitled to rely upon its earlier EU filing dates (and priority dates) when filing comparable UK trade mark applications (i.e. applications for the same trade marks in respect of goods or services which are identical with or contained within those for which applications have been filed in the EU) during a period of 9 months from the end of the transition period. This means that the priority date of Accessible Labs' EUTMs, which is **10 December 2020** (based on the Israeli trade marks nos. 334227 and 334228 respectively), is the relevant date for determining priority vis-à-vis any conflicting third-party trade marks.

3. The details of Accessible Labs' UK trade mark applications are as follows:

| |
|---|
| UK00003602655<br><br>CNVRG<br><br>Filing date: 01 March 2021<br><br>Priority date: 11 December 2020; Priority country: EUIPO; TM from which priority is claimed: 018352967. |

| |
|---|
| Priority date: 10 December 2020; Priority country: Israel; TM from which priority is claimed: 334227. |
| UK00003602719<br><br>CNVRG.IO<br><br>Filing date: 01 March 2021<br><br>Priority date: 11 December 2020; Priority country: EUIPO; TM from which priority is claimed: 018352969.<br><br>Priority date: 10 December 2020; Priority country: Israel; TM from which priority is claimed: 334228. |

4. Accessible Labs' applications were accepted and published for opposition purposes on 16 July 2021, in respect of the following goods and services:

> **Class 9:** *Computer hardware; computers and computer peripheral devices; data processing equipment; computer hardware for use in cognitive computing, machine learning, learning algorithms, artificial intelligence and data analysis; computer software; computer software for machine learning and data analysis; computer software for artificial intelligence; computer software for monitoring, optimizing, unifying and managing server networks, machine learning infrastructure, and computing resources; software development kits; software development and data science tools; computer operating system software; computer operating system software for machine learning; computer operating system software for artificial intelligence; computer machine learning platforms; computer machine learning platforms to build and deploy artificial intelligence models; apparatus and instruments for recording, transmitting, reproducing or processing sound, images or data; software for use in designing and developing cognitive computing, machine learning, learning algorithms, artificial intelligence, and data analysis; software libraries for use in designing and*

*developing cognitive computing, machine learning, learning algorithms, artificial intelligence and data analysis.*

**Class 42:** *Design and development of computer software and systems; providing temporary use of on-line non-downloadable software for cognitive computing, machine learning, learning algorithms, artificial intelligence and data analysis; providing software as a service featuring software for cognitive computing, machine learning, learning algorithms, artificial intelligence, and data science; providing software as a service featuring software for data query and data analysis; providing temporary use of non-downloadable software for data mining; Providing information online in the field of cognitive computing, machine learning, learning algorithms, artificial intelligence and data analysis; providing computer hardware and software design services; providing online software tools monitoring, optimizing, unifying and managing software and server networks; providing online software development kits; software as a service (SAAS); platform as a service (PAAS); providing software platforms as a service (PAAS) in the field of cognitive computing, machine learning, learning algorithms, artificial intelligence and data analysis; software consulting and providing information on software as service; computer software services for providing cloud computing capabilities for machine learning operation and model management; services for enabling applications to be deployed across an online network; hosting of digital content on the internet; providing customers and technicians with information relating to machine learning operation and development; Providing software platform for machine learning and artificial intelligence management and solutions.*

5. On 15 October 2021, Rui Qu opposed Accessible Labs' applications in their entirety based upon Sections 5(2)(a) and 5(2)(b) of the Trade Marks Act 1994 ("the Act"). Rui Qu's oppositions were brought under the fast-track opposition procedure (under nos. 600001955 and 600001956) and are based upon its UK trade mark application no. UK00003594251 for the trade mark CNVRG, which is a pending application opposed by Accessible Labs in the consolidated opposition no. 425411. Rui Qu's application no. UK00003594251 has a filing date of 11 February 2021 and claims a priority date

of **13 August 2020** from the Chinese trade mark registration no. 48917642. It is applied-for in respect of the following services upon which Rui Qu relies:

> **Class 42:** *Technical research; quality assessment; chemical research; medical research; material testing; industrial design; interior design; computer software design; computer hardware design and development consulting; platform as a service (PaaS).*

6. Rui Qu claims that the goods and services are identical or similar and the marks are identical or similar, with the result that there is a likelihood of confusion.

7. Accessible Labs filed two counterstatements denying the claims made. As I will explain below, one of defences raised by Accessible Labs disputed the validity of Rui Qu's priority claim in respect of the application no. UK00003594251 upon which Rui Qu's oppositions nos. 600001955 and 600001956 are based. Accordingly, Accessible Labs requested that Rui Qu's oppositions are rejected because its application no. UK00003594251 is not an *"earlier trade mark"* pursuant to Section 6 of the Act.

**The opposition against Rui Qu's application no. UK00003594251**

8. I have already set out the details of Rui Qu's application no. UK00003594251 above.

9. On 08 July 2021, Accessible Labs opposed Rui Qu's application no. UK00003594251. The opposition was initially based upon Sections 5(4)(a) and 3(6) of the Act, but Accessible Labs was subsequently allowed to add other grounds based on Sections 5(1) and 5(2) on the basis of its applications nos. UK00003602655 and UK00003602719 which I mentioned earlier.

10. Under Section 5(4)(a), Accessible Labs relies upon the signs CNVRG and CNVRG.IO which it claims to have used throughout the UK since 2016 in relation to *"Computer software, computer operating software, computer platforms, data science software platform, artificial intelligence (AI) operating system".* Accessible Labs claims that registration of Rui Qu's mark is contrary to the law of passing off.

11. Under Section 3(6) Accessible Labs alleges that Rui Qu was aware of Accessible Labs' use of its signs prior to submitting its application and states that Rui Qu applied for the UK00003594251 mark in order to extract money from Accessible Labs. It stated:

> "[Accessible Labs] submits that [Rui Qu] acted in bad faith at the time of filing the Application on the Relevant Date and that the trade mark should not be registered for any of the services applied for. [Rui Qu] is seeking to lay its hands on the trade mark of another and its conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The Application was filed without any intention to use the trade mark in relation to any of the services applied for. [Rui Qu] instead had the intention of undermining, in a manner inconsistent with honest practices, the interests of [Accessible Labs] (an existing user of the CNVRG and CNVRG.IO marks in the UK as at the Relevant Date), and of obtaining an exclusive right for purposes other than those falling within the functions of a trade mark, namely for the purposes of obtaining leverage against [Accessible Labs] in [Rui Qu]'s attempts to extract money from it. [Rui Qu] made an entirely false declaration under s.32(3) of the UK Trade Marks 1994 when filing the Application. The Application should therefore be refused in its entirety on this basis".

12. After Accessible Labs' opposition was filed, Accessible Labs contacted the Tribunal stating that it had come to light that there was an issue with Rui Qu's priority claim in respect of Rui Qu's application no. UK00003594251 which Accessible Labs had not been aware of before.

13. Essentially, Accessible Labs argued that:

a) Rui Qu's priority date of **13 August 2020** - claimed in respect of application no. **UK00003594251** and based on the Chinese trade mark registration no. **48917642** – is not valid because the Chinese application from which priority is claimed is not a first filing by Rui Qu's for the mark CNVRG in respect of the services covered;

b) Rui Qu's had previously applied for another Chinese trade mark registration for the mark CNVRG under no. **42518910** on **21 November 2019** – this is the mark which represents the "first such application" for the purpose of Section 35(1) of the Trade Marks Act 1994;

c) Since the Chinese registration no. 48917642 from which priority is claimed cannot be considered to be the first application, it is not a valid basis for claiming priority; consequently, the claimed priority date of 13 August 2020 is invalid, and Rui Qu can only rely on the filing date of **11 February 2021** in respect of its application no. **UK00003594251** with the result that Accessible Labs' applications nos. **UK00003602655** and **UK00003602719** (which claim a priority date of **10 December 2020**) can be relied upon as earlier rights to oppose Rui Qu's application no. UK00003594251.

14. The issue was discussed at a Case Management Conference ("CMC") on 12 May 2022 and was resolved in favour of Accessible Labs with the hearing officer deciding that Rui Qu's priority claim in respect of application no. UK00003594251 was partially invalid in relation to services which were covered by the earlier Chinese trade mark registration no. 42518910 but remained valid for services which went beyond those covered by the same registration. For the sake of completeness, I reproduce below the content of the post-CMC letter dated 19 May 2022 which decided the matter as follows:

> "During the CMC Ms Worsdall referred me to s.35(1) of the Trade Marks Act 1994 which states (my emphasis added):
>
> "35. - (1) A person who has duly filed an application for protection of a trade mark in a Convention country (a "Convention application"), or his successor in title, has a right to priority, for the purposes of registering the same trade mark under this Act for some or all of the same goods or services, for a period of six months from the date of filing of the first such application."
>
> Ms Worsdall argued that the Chinese trade mark registration no. **48917642** ('642 mark'), from which priority was claimed, is not the "first such application".

It is argued that Chinese trade mark registration no. **42518910** ('910 mark'), which was filed on 21 November 2019, for the mark cnvrg, is in fact the "first such application". It is argued that the net effect of the '910 being the "first such application" is that priority may not be claimed from the '642 mark.

Section 35(4) of the Act states that:

"A subsequent application concerning the same subject as the first Convention application, filed in the same Convention country, shall be considered the first Convention application (of which the filing date is the starting date of the period of priority), if at the time of the subsequent application

(a) the previous application has been withdrawn, abandoned or refused, without having been laid open to public inspection and without leaving any rights outstanding, and

(b) it has not yet served as a basis for claiming a right of priority.

The previous application may not thereafter serve as a basis for claiming a right of priority."

The effect of s.35(4) is that the subsequent application ('642), i.e. the later filed Chinese registration, can only be considered the "first Convention application" if the previous application, i.e. the earliest Chinese registration ('910) was "withdrawn, abandoned or refused" and "it has not yet served as a basis for claiming a right of priority".

There is no suggestion that the earlier '910 has been withdrawn, abandoned or refused. If this is the case then I invite the applicant to provide evidence to this effect within 14 days of the date of this letter, that is on or before 2 June 2022.

Applying the provisions set out in s.35(4) of the Act, the Chinese registration number '642 cannot be considered to be the first application and is not a valid basis for priority. To my mind, whilst these circumstances are unusual, the Act

is clear on this point. However, it is noted that the '642 mark has a broader specification of services than the '910 mark. Accordingly, as stated by the opponent in its letter of 28 October 2021, the priority claim is invalid in respect of:

"Technical research; computer software design; computer hardware design and development consulting; platform as a service (PaaS)".

The priority claim is valid in respect of the remaining services, namely:

"Quality assessment; chemical research; medical research; material testing; industrial design; interior design".

Allowing a ground of opposition to be added part way through the proceedings is discretionary. Consideration should be made to the prejudice caused to the party. This is balanced against the Registrar favouring to permit necessary changes of grounds, except where there is real prejudice. Having established that the priority claim is valid in respect of some earlier services, I see the inclusion of section 5(1) and 5(2)(b) as being justified and, save for some minor cost implications, there would not be any material prejudice to the applicant.

I accordingly direct that:

- The request to add sections 5(1) and 5(2)(b), based on UK trade mark numbers 3602655 and 3602719, is allowed. These trade mark registrations are not subject to proof of use.
- Trade mark application no. 3594251, the subject of the opposition, may claim partial priority from Chinese trade mark registration no. 48917642 in respect of "quality assessment; chemical research; medical research; material testing; industrial design; interior design".
- The services listed above will not be the subject of opposition based on sections 5(1) and 5(2)(b).
- All of the applied for application is the subject of the sections 3(6) and

5(4)(a) claims.

- The evidential deadlines remain the same as those set out in the official letter of 24 March 2022, that is on or before 24 May 2022.
- In light of the new ground of attack the applicant is invited to submit an amended counterstatement. This should be done within 14 days of the date of this letter, that is on or before 2 June 2022."

15. The hearing officer therefore concluded that the priority date of **13 August 2020** claimed in respect of Rui Qu's application no. **UK00003594251** was valid in respect of some of the applied-for services, namely ***quality assessment; chemical research; medical research; material testing; industrial design; interior design.*** He also concluded that those services benefitted from a priority date which is earlier than the priority date of 10 December 2020 claimed in respect of Accessible Labs' applications nos. UK00003602655 and UK00003602719, which means that Accessible Labs' applications nos. UK00003602655 and UK00003602719 are not earlier rights for the purpose of opposing those services in Rui Qu's application no. UK00003594251 based on Sections 5(1) and 5(2). However, as the remaining services, namely ***technical research; computer software design; computer hardware design and development consulting; platform as a service (PaaS)*** do not benefit from a valid priority claim, they are objectionable under Sections 5(1) and 5(2) based on Accessible Labs' applications nos. UK00003602655 and UK00003602719 because the latter claim a priority date of 10 December 2020 that is earlier that the filing date (11 February 2021) of Rui Qu's application no. UK00003594251.

16. Following the hearing officer's *interim* decision of 19 May 2022, Accessible Labs' amended Form TM7 (which was filed on 28 October 2021) including claims under Sections 5(1) and 5(2)(a) was allowed into the proceedings. Accessible Labs relies on its application no. UK00003602655 under Sections 5(1) and 5(2)(a) and on its application no. UK00003602719 under Section 5(2)(b) objecting to the following services in Rui Qu's application no. UK00003594251:

*Technical research; quality assessment; industrial design; computer software design; computer hardware design and development consulting; platform as a service (PaaS).*

17. On 2 June 2022, Rui Qu filed an amended counterstatement in which it denies the grounds under Section 5 but only to the extent that it insisted that the priority claim based on the on Chinese application no. 48917642 is valid insofar as it relates to a different mark (this point was the subject of the CMC decision of 19 May 2022). Essentially, Rui Qu argued that because the Chinese application no. 48917642 is for the mark CNVRG in capital letters and the Chinese application no. 42518910 is for the mark cnvrg in lower case, effectively the Chinese application no. 48917642 is the first filing and the priority claim of the application no. UK00003594251 is valid in relation to the entire specification. It stated:

> "[Accessible Labs]' claims under Section 5(1) and Section 5(2)(b) are denied. "[Accessible Labs] argues that the priority claim on Chinese Application 48917642 is invalid because it is not the first filing. "[Accessible Labs] argues that Chinese Application 42518910 was the first filing as it was filed earlier and it concerns the same subject. However, [Rui Qu] submits that the priority remains as Chinese Application 48917642 does not concern the same subject matter. [Rui Qu] accepts that "Technical research; computer software design; computer hardware design and development consulting; platform as a service (PaaS)" are in Chinese Application 42518910, however the application concerns a different mark - 'cnvrg'. Chinese Application 48917642 concerns 'CNVRG', and the difference in capitals constitutes different subject for the purposes of Section 35(4) Trade Marks Act 1994.
>
> "[Accessible Labs]' claims under Section 5(4) and Section 3(6) are denied.
>
> "[Accessible Labs] has failed to show any evidence of its unregistered rights and also failed to present any evidence in which [Rui Qu] has acted in bad faith. The burden of proof is upon [Accessible Labs] in claims under Section 5(4) and Section 3(6)".

18. The three oppositions were consolidated on 24 March 2022 and the oppositions no. 600001955 and 600001956 were converted to conventional oppositions.

19. Accessible Labs is represented by CMS Cameron McKenna Nabarro Olswang LLP and Rui Qu is represented by Dynham Limited. Both parties filed evidence. No hearing was requested and only Accessible Labs filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

**EU Law**

20. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Trade Marks Act relied on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case law of EU courts.

**THE EVIDENCE**

21. Accessible Labs' evidence in chief came in the form of three witness statements by the following individuals:

1. Amanda Yang
2. Kelly W. Smith
3. Yochay Ettun

22. Amanda Yang is a lawyer located in Beijing who acts for Accessible Labs in relation to trade mark matters in China. Ms Yang's witness statement is dated 24 May 2022 and is accompanied by 16 exhibits (Exhibits AY1 – AY16).

23. Kelly W. Smith is the Managing Counsel, Trademarks & Brands in the legal team at Intel Corporation who is the owner of Accessible Labs. Ms Smith's witness statement is dated 17 May 2022 and is accompanied by six exhibits (Exhibits KS1 – KS6).

24. Yochay Ettun is the Co-founder and CEO of Accessible Labs. Mr Ettun's witness statement is dated 24 May 2022 and is accompanied by 13 exhibits (Exhibits YE1 – YE13).

25. Rui Qu's evidence in chief came in the form of two witness statements by the following individuals:

1. Zhu Feng
2. Nie Xiaoxing

26. Zhu Feng is the Chief executive of Rui Qu's company. Mr Feng's witness statement is dated 18 November 2022 and is accompanied by 15 Annexes.

27. Nie Xiaoxing is a translator and provides certified translations of some of the annexes introduced by Mr Feng.

**DECISION**

**Approach**

28. The outcome of the opposition against Rui Qu's application no. UK00003594251 will determine whether, and to what extent, Rui Qu can rely on that application in the oppositions no. 600001955 and 600001956 against Accessible Labs' applications nos. UK00003602655 and UK00003602719. Hence, that is where I shall start.

**SECTION 5(4)(a)**

29. 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."

30. 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."

31. 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)."

32. 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[1] 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[2] 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."

**Goodwill**

33. The first hurdle for Accessible Labs is to show that it had the requisite goodwill at the date of Rui Qu's application for the contested UK00003594251 mark. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL):

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

34. 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."

35. 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."

36. The relevant date for establishing a passing off right in opposition proceedings is the date of the application for registration (or priority date). If the applicant has used the applied for mark from an earlier date it also necessary to consider whether a passing off claim would also have succeeded at that earlier date.[1]

37. Whilst Rui Qu has filed evidence in these proceedings, it is mostly directed to rebut Accessible Labs' evidence of bad faith, but it does not establish (and Rui Qu did not claim) that Rui Qu has made any use of the contested mark in the UK. Consequently,

[1] *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11

the date of filing the application for registration of the UK00003594251 mark is the relevant date in this case. However, as it will be recalled, there is an issue with the priority date claimed for the application no. UK00003594251, which has been found to be valid only for some of the applied-for services. Accordingly, given the partial invalidity of the priority date for the contested application, the relevant dates for establishing goodwill are as follows:

- The relevant date is the priority date of the application for registration of the UK00003594251 mark (namely **13 August 2020**) in the context of the services for which that priority date has been found to be valid, namely *quality assessment; chemical research; medical research; material testing; industrial design; interior design*.

- The relevant date is the filing date of the application for registration of the UK00003594251 mark (namely **11 February 2021**) in the context of the services for which that priority date has been found to be invalid, namely *technical research; computer software design; computer hardware design and development consulting; platform as a service (PaaS).*

38. The goodwill required to support a passing off right must be situated in the territory of the UK. This requires the opponent to show that it had customers in the UK under the signs CNVRG and CNVRG.IO prior to the relevant dates. Showing that Accessible Labs had customers in other places is irrelevant.

**Assessment of the evidence**

39. Mr Ettun's witness statement sets out the details of Accessible Labs' activities under its CNVRG and CNVRG.IO marks in the UK. It also sets out facts which are relevant to the claim of bad faith, however, I will leave that evidence to one side for the moment as it is not really relevant to the question of whether Accessible Labs had established goodwill in the UK at the relevant date(s). Mr Ettun's evidence is as follows:

- Accessible Labs is a software development company founded in Israel in 2016;

- Accessible Labs acquired the domain name on 2 September 2016 and has operated its business from the website at https://cnvrg.io since 2017;

- Since 2017 Accessible Labs has promoted and made available to customers *"a full-stack data science platform and AI (artificial intelligence) operating system that helps businesses manage and scale AI"* under the marks CNVRG and CNVRG.IO;

- Representatives from the cnvrg.io business have attended various industry events in the UK and across the EU and elsewhere. Accessible Labs has also promoted its CNVRG.IO platform to UK businesses. To support these statements Mr Ettun provides (a) copies of invoices for pay per click advertising on Google for the period up to February 2021;[2] (b) copies of invoices for promotional activity on Facebook for the period up to 13 August 2020;[3] (c) samples of receipts for payments for promotional activity on LinkedIn billed to Mr Ettun himself for the period up to 13 August 2020;[4] (d) a copy of the article *"Mapping Israel's Machine Learning Startups"* dated 31 May 2018 which mentions the cnvrg.io platform in connection with machine learning products;[5] (e) a copy of the press release by Jerusalem Venture Partners, and also a copy of the report on the website https://tech.eu/, an online publication dedicated to European technology news and insights, both of which refer to the cnvrg.io business having completed a funding round with a total of USD8 million raised in 2019;[6] (f) copies of three invoices relating to Accessible Labs' sponsorship/exhibition package/stands at UK events held in London, namely Strata Data Europe Conference (held on 30 April and 2 May 2019), Big Data London (held on 13 and 14 November 2019) and ODSC Europe Conference held in London (held on 20 and 21 November 2019);[7]

[2] YE3
[3] YE4
[4] YE5
[5] YE6
[6] YE8
[7] YE9

- The number of UK visits to Accessible Labs' website (at cnvrg.io), for the years 2019 – 2020 are as follows: 2019: 3,066; 2020 (to the end of July): 2,006; 2020 (from August to November): 1,407;

- In November 2020 Accessible Labs was acquired by Intel Corporation ("Intel"). The acquisition was announced publicly on 4 November 2020.

40. Accessible Labs' evidence about its business activities in the UK is clearly limited to advertising activities. The evidence indicates that a functioning website promoting the business was in operation by the relevant dates, and that the website was accessible from the UK. The goods and services offered are described as "*data science platform to create and deploy AI and data science models at scale"* and *"operating system for machine learning and AI".* However, there is no one invoice or piece of evidence which proves that Accessible Labs sold any goods or services to UK customers and there are no turnover figures. In addition, the evidence of UK traffic to Accessible Labs' website is relatively low, being around 6,000 in the two-year period 2019 – 2020, and the evidence of promotion is neither particularly strong - for example the number of clicks from Google search UK platforms mostly ranges from a few clicks to less than 100 clicks - nor particularly focused - for example, there is no information about how many customers attended the UK conferences and events at which Accessible Labs showcased its business and there is nothing which suggests that attendance to those events generated any contract. Further, there is no information about the UK readership of the articles which mention Accessible Labs' business, and there is nothing which tells me how much Accessible Labs spent in promoting its business in the UK.

41. It is not clear whether an advertising campaign featuring a mark can create a protectable goodwill without any actual sales to UK customers. In *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others,* [2015] UKSC 31, Lord Neuberger (with whom the rest of Supreme Court agreed) stated (at paragraph 66 of the judgment) that*:*

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

42. It appears to be clear that advertising under a mark is not sufficient to create an actionable goodwill where was no imminent prospect of trade commencing at the time: *Bernadin (Alain) et Cie v Pavilion Properties Ltd* [1967] RPC 581. Pre-launch publicity appears to have been accepted as sufficient to create an actionable goodwill in the cases of *Allen v Brown Watson* [1965] RPC 191 and *BBC v Talbot* [1981] FSR 228,

but as explained in paragraph 3-156 of *Wadlow on the Law of Passing Off,* 6th Ed., the plaintiffs in these cases had long established businesses and goodwills in the UK. The real issue was whether their new marks had become distinctive of those businesses to their UK customers through advertising alone. Until the law is clarified, it is therefore doubtful whether a business with no sales to UK customers can establish a passing off right based solely on advertising.

43. In a similar vein, Phillip Johnson, as the Appointed Person in *BLINK*, BL- O-606-18, overturned the Hearing Officer's decision that there was goodwill in the Blink browser engine (i.e. a software product) as a result of extensive advertising by Google. He stated:

> "….Lord Neuberger's suggestion that *Maxwell v Hogg* would need to be overruled for a claimant to bring a passing off claim without goodwill (which must be in relation to the relevant product or service) based on substantial advertising clearly shows that *Maxwell v Hogg* remains the law. Contrary to the Respondent's submission, I am bound by *Maxwell v Hogg*. Accordingly, as there was no goodwill in the Blink browser engine (the product) the extensive advertising by Google during the three-week period is not enough to [find] a claim of passing off in the relevant respect."

44. Whilst Mr Johnson went on to find that Google had developed a goodwill in a coordinated open-source project, that conclusion was based on the finding that the evidence was enough to conclude that at the relevant date there were sufficient domestic developers (who were considered to be customers) working on the open-source development project in the UK.

45. It is possible to draw a parallel between the present case and the *BLINK* case, because in both cases the market for the services concerned relates to highly specialised computer systems, however, in this case there is no evidence that Accessible Labs managed to get any domestic customers (being UK businesses or developers) on board prior to the relevant dates.

46. Without goodwill the claim under Section 5(4)(a) fails.

**Section 3(6)**

47. 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."

48. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacilik Tekstil Sanayi ve Ticaret AŞ,* Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening,* Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening),* Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening),* Case T-507/08, EU:T:2011:46. It summarised the law as follows:

> "68. The following points of relevance to this case can be gleaned from these CJEU authorities:
>
> 1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].
>
> 2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].
>
> 3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, 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 the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacilik* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacilik* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

13. Bad faith cannot be established solely on the basis of the size of the list of goods and services in the application for registration: *Psytech* at [88], *Pelikan* at [54]."

49. According to *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?

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

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

50. 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).

51. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch).

**Assessment of the evidence**

52. I now turn to what I regard as the most relevant evidence as it appears from the witness statements of Ms Young, Ms Smith and Mr Ettun:

- Intel Corporation is a US technology company, and the world's largest semiconductor chip manufacturer by revenue. INTEL is one of the world's most valuable brands and was ranked as the world's 17th most valuable brand by Interbrand in its 2021 report. Copy of a news release by Intel from May 2020 confirms that Intel Capital, Intel Corporation's global investment organisation, announced new investments totalling $132 million in 11 technology start-ups.[8] News of the acquisition of Accessible Labs by Intel Corporation was made public on **4 November 2020;**[9]

- On **8 December 2020**, Anthony Lin, the then acting head of Intel Capital, received a notification letter from Zhu Feng of Rui Qu claiming ownership of the trade mark CNVRG in China in relation to a *"project that is still in the research stage"*. The message invited Intel to make contact directly if it was interested in acquiring the mark. Copy of the email is exhibited,[10] which I reproduce below:

> *"Letter of Notification-"CNVRG"(abbreviation for "Converge") Trademark in China*
> *Dear Mr Lin:*
> *This is Zhu Feng, CEO of Rui Qu Consulting Firm based in China, The CNVRG" full-category trademark rights (China) are prepared and*

[8] KS1
[9] YE11
[10] KS2

*registered by me for a project that is still in the research stage. (The trademark rights of "Converge" are being separately owned by multiple companies and institutions which result in complexity to form a unified brand). I have not declared any intention to transfer the ownership of this trademark in the past. Recently, we have received unusual acquisition offers from various overseas institutions. After investigation, it should be related to the recent development of your company invested cnvrg.io company. If this acquisition activity is entrusted by your company, you can communicate with me directly; otherwise it is recommended to stay alert to industrial competitive activities. (See the attachment for the trademark certificate).*
*Regards*
*Mr. ZHU Feng"*

- On **10 December 2020**, Intel instructed local counsel in Israel to file applications for the trade marks CNVRG and CNVRG.IO in the name of Accessible Labs. The EU applications for these marks (nos. 018352967 and 018352969) were filed on **11 December 2020**;

- On **11 December 2020**, Mr Ettun, in his capacity as the CEO of Accessible Labs, received a communication from Zhu Feng of Rui Qu via the LinkedIn platform which contained some of the same information as the message received by Anthony Lin. Copy of the message is exhibited[11] which I reproduce below:

  *"Hello, I am the trademark holder of "CNVRG" in China. Recently, I received a number of urgent offers from foreign institutions to purchase this trademark, and today there were two more such organizations, which should be related to the acquisition of your company by Intel. I have no intention of adversely affecting your company by disposing of my assets. Therefore, before responding to the tender offer, I take the*

[11] KS3 and YE12

*liberty to contact you. The specific information has been sent to your email."*

- On **13 January 2021**, an employee at Intel received a report that the Managing Director of a company called Ocean Tomo in China (with whom Intel had previously worked) had been contacted on 12 January 2021 by someone who claimed to own the CNVRG marks to see if Intel wanted to purchase them following Intel's acquisition of Accessible Labs. Copy of the email chain is exhibited;[12]

- On **3 May 2021**, CMS, Accessible Labs' UK and EU representatives, received a letter from a lawyer based in Luxemburg acting on behalf of Rui Qu requesting withdrawal of Accessible Labs' EU trade mark applications nos. 018352967 and 018352969 and UK applications nos. UK00003602719 and UK00003602655 for the marks CNVRG and CNVRG.IO. The letter says that Rui Qu applied for the UK trade mark application no. UK00003594251 and the EUTM no. 018397280 *"in anticipation of offering data analysis and mobile software development services for its clients*". Copy of the letter is exhibited;[13]

- Companies House's records show that a UK company called CNVRG Europe Ltd was incorporated on **20 July 2021** (after Accessible Labs filed a notice of opposition to Rui Qu's application).[14] An extract from UK Companies House shows that Zhu Feng is a director of that company;

- On **15 September 2021**, Ms Yang received an email from Damien Tze, IP Counsel for Rui Qu. The communication alleged trade mark infringement and said that Rui Qu's *"operating companies and [its] licensees - CNVRG North America Inc, CNVRG Europe Inc, and CNVRG Asia Pacific Pte Ltd in the US, UK and Singapore are actively trading hence it is imperative that [they] take*

[12] KS4
[13] KS5
[14] KS6

*steps to reduce all likelihood of confusion in [their] marketplace"*. The email states as follow (copy of which is provided):[15]

*"It is commercially important for our operating companies to be able to implement its services and systems within China's domestic market as well as the international market under CNVRG. CNVRG Europe Inc in particular will be providing our clients in the region with series of front-end services relating to data analysis, software research and development, testing and PaaS (platform services). In our attempt to secure protection within the domestic market, you will be aware that we have registered Chinese trademark rights across multiple goods/services. Without prejudice to our full rights, we are willing to offer a period of 3 months to commence rebranding across your client's social media channels, site pages, third party platforms wherever our trademark many appear as far as China, EU and UK is concerned in exchange for us refraining to take further legal action. You will be ware that we have already filed oppositions against your client's EU marks 018352967 and 018352969, and Notice of Threatened Oppositions against your client's UK marks UK00003602655 and UK00002057358.*

*We reserve all rights to escalate the matter, including filing official oppositions against your client's UK trademarks and to claiming costs should we obtain a likely favourable outcome.*

*We look forward to your confirmation that re branding efforts are underway";*

- On **7 November 2021**, Mr Ettun received a "Letter of Notification" by email from Zhu Feng of Rui Qu threatening infringement proceedings in China and Europe and demanding that Accessible Labs cease use of the mark CNVRG in the UK. Copy of the email message is exhibited[16] which I reproduce below:

*"Joint Statement*

[15] AY16
[16] YE13

*Rui Qu (Shanghai) Enterprise Management Consulting Company Limited (hereinafter known as "the Rui Qu Company") owns all classes of "CNVGR" trademark in China, and Class 42 of the same in European Union. The Rui Qu Company is the shareholder of the following companies: CNVRG ASIA PACIFIC PTE LTD (Singapore), CNVRG EUROPE LTD (UK), CNVRG AMERICAS INC (US); as well as the founder of "CNVRG Business System" (WWW.CNVRG.LTD).*

*From the date of establishment, we, CNVRG ASIA PACIFIC PTE LTD (Singapore), CNVRG EUROPE LTD (UK), CNVRG AMERICAS INC (US) have acquired exclusive authorization of all trademarks of the Rui Qu Company.*

*To protect the legal rights of our companies, we request your company and all relevant parties including your clients, media, e-commerce platforms, social platforms, etc. to take the following actions immediately:*

*1. Stop selling and publicizing goods and services that contain "CNVRG" and/or similar logos within trademark rights of the Rui Qu Company ;*
*2. Stop addressing and labeling your company as "CNVRG Company" in Singapore, United States and United Kingdom;*
*3. Delete any information containing above infringement since the effective date of our trademark rights on 20th July 2021.*

*We reserve the rights to pursue legal liability"*

- Ms Yang carried out online searches about Rui Qu and discovered the following:

    (a) The Chinese companies register shows that Rui Qu was established on **24 August 2016**. The business scope of the company is very broad and includes the following: *"corporate management consulting; business information consulting; financial consulting; market information consulting and investigation (not engaged in social surveys, social research, public opinion surveys, opinion polls); travel consulting;*

*nutrition and health consulting services; design, production, agency and release of various advertisements; e-commerce (not engaged in value-added telecommunications, financial services,); legal consulting; technology development, technology transfer, technology consulting and technical services in the field of computer technology and electronic technology; computer software development and sales; electronic product sales engaged in import and export of goods and technology, interior decoration design; urban planning and design"*;[17]

(b) When Ms Yang first became aware of Rui Qu in **October 2020**, her online searches did not reveal any use of the marks CNVRG or CNVRG.IO by Rui Qu. Towards the end of 2021, when Ms Yang gave a witness statement for Accessible Labs in invalidation proceedings in relation to Rui Qu's EU trade mark no. 018397280 for the mark CNVRG, she became aware of Feng Zhu (of Rui Qu)'s LinkedIn profile and the existence of a website address given as www.cnvrg.ltd. Ms Yang visited the website in November 2021 and again on 16 May 2022 and confirms that its content indicates that the company has three divisions: CNVRG Business, CNVRG Sci & Tech and CNVRG Boutique. The offerings under CNVRG Business are claimed to range from legal and financial affairs to construction, maintenance and transport. The offerings under CNVRG Sci & Tech are claimed to range from cloud computing to certification services. The offerings under CNVRG Boutique are claimed to range from office supplies and tools to food and health products. Ms Yang confirms that she also visited Feng Zhu's LinkedIn profile in November 2021, and that at that time the first post appeared to date back to December 2020, and contains the following description of offerings (emphasis added):

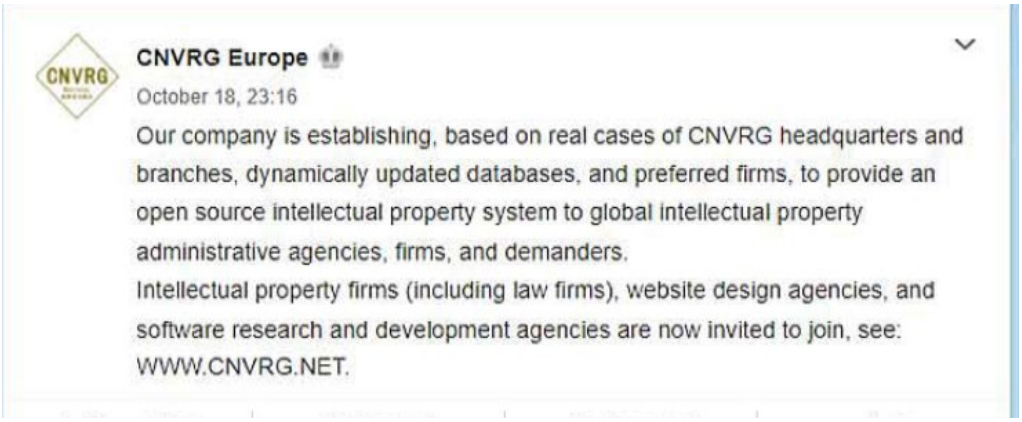
*"Today, China is a market that cannot be ignored by any companies with great visions to expand their business. However, lack of understanding of China market as well as mature local auxiliary agencies, have become*

[17] AY1

*the show stopper for many ambitious companies with superior goods and services to enter China market. To solve this problem, our company is going to launch a one-stop solution platform for free shared trademark rights and optional self-selected auxiliary services, based on our own CNVRG full-categories trademark rights (China). Welcome onboard with CNVRG China, for countless business opportunities!"*

Copies of webpages from the website www.cnvrg.ltd (as they appeared on 16 May 2022) and of Feng Zhu's LinkedIn profile (as it appeared in November 2021) are exhibited confirming the above facts.[18] Ms Yang said that Feng Zhu's LinkedIn profile appears to have been taken down as she could not find it when she conducted online searches;

(c) Ms Yang discovered that Rui Qu set up a Weibo account named "CNVRG commercial support platform" on **19 December 2020**. Weibo is a Chinese microblogging website. Copies of pages from Rui Qu's Weibo account show various posts claiming that: (1) Rui Qu is the trade mark owner for CNVRG, and CNVRG is the abbreviation of "converge"; and (2) Rui Qu is going to provide a platform and those who join the platform can freely use the CNVRG trade mark on all goods/services classes. Shown below is a post referring to CNVRG providing an *"open-source intellectual property system":*[19]




[18] AY2
[19] AY4

(d) Feng Zhu of Rui Qu has been listed by the court in China as a person subject to *"high consumption restrictions"* which means that Feng Zhu is restricted from using his property to fund extravagant spending on items such as first-class travel, high-end hotels, private school tuition, holidays and other luxuries that are not necessary for his livelihood or business operation. Copies of court documents exhibited by Ms Yang (dated July 2020 and September 2021 and translated in English) show that (i) the restrictions were imposed by the court following Feng Zhu's failure to comply with the orders of the court which ordered him to repay a loan in a claim brought by an individual called Cui Jianzhe who appears to be a shareholder of Rui Qu and (ii) the court decided to freeze Zhu Feng of Rui Qu's bank account following the court's exhaustion of property investigation measures (i.e. seizure of all property assets); [20]

(e) Online searches revealed that in **December 2020** Rui Qu owned over 260 Chinese trade mark registrations, 110 of which are for the mark CNVRG across 45 classes;[21]

(f) on **4 January 2021** and **7 April 2021** Accessible Labs filed invalidity applications and oppositions against four of Rui Qu's Chinese trade marks covering classes 9 and 42 on the basis that they were filed in bad faith given Accessible Labs' earlier use of the trade marks CNVRG and CNVRG.IO for technology related goods and services. Ms Yang says that all the actions were successful. She also confirms that one of the marks which was successfully opposed was the Chinese trade mark registration no. 48917642, from which Rui Qu's application no. UK00003594251 claims priority. Copies of decisions relating to the Chinese registrations nos. 42518910 and 42509001 and applications nos. 48902524 and 48917642 are exhibited[22] however, only the first two are translated. In this connection, Ms Yang says that when she gave her witness statement, they had just been notified that the opposition against

[20] AY5
[21] AY7
[22] AY11

the registration no. 48902524 had been successful, however, the decision in relation to application no. 48917642 contained an error (insofar as it related to goods in class 9 and not services in class 42) which was in the process of being rectified. The translated decisions confirm that the China National Intellectual Property Administration office (CNIPA) found that Accessible Labs' claim that *"the purpose of Rui Qu's registrations is not for normal use, but to hoard a large number of trademarks and seek opportunities to sell them at high prices"* was made out. Having examined the evidence, the CNIPA concluded that registration purpose of Rui Qu's CNVRG trade marks could not be said to be justified and Rui Qu did not have (at the time of filing) a real intention to use the marks so that the registration of the marks *"is obviously malicious and violates the principle of good faith, disrupts the management of trademark registration, and undermines the market order of fair competition [and] constitutes the situation of obtaining registration by improper means" referred to Article 44.1 of the [Chinese] Trademark Law".* The decision against the Chinese trade mark no. 42518910 is dated 21 January 2022 and the decision against the Chinese trade mark no. 48917642 is dated 12 April 2022;

(g) Rui Qu has also filed 20 applications for the marks SEC AUTONOMOUS INVESTIGATION BI, SECBI and SEC BI in classes 9, 35, 36, 42 and 45. According to Ms Yang's online searches, the true owner of SECBI trade marks is the Israeli start-up SecBI Ltd. Further, in the course of defending the invalidation proceedings in China, Rui Qu disclosed correspondence sent to Secbi Ltd about these trade marks which, similarly to what was sent to Accessible Labs, (a) claims that Rui Qu is the owner of SEcBi trade mark, (b) claims that Rui Qu has received some offers from other entities who wish to purchase the SEcBi trade mark and (c) offers Secbi Ltd the opportunity to buy the SEcBi trade marks. The text of the letter is reproduced below:[23]

[23] AY13

*"I am Zhu Feng, CEO of Rui Qu Consulting Firm based in China. Holding "ww.secbi.com" from 2006 to 2008, apply for SecBI (Category 42, China) in 2006, and expand and improve the scope of protection of SecB1 in 2019. Last year, I learned that you set up a technology company with the same name after obtaining "wwsecbi.com", It is probably coincident that we both have similar understanding of the meaning of "SecBI". Recently, I have received an acquisition offer to purchase SecBI trademark and Domain www.secbi.net" which will be used to establish a service provider that can absorb global medium and small-sized enterprises based on the huge demand in the Chinese market, low-cost sharing of SecBI, and cheap service fees, covering technology, design, legal and other service types of operating systems. This offeror is another person who has a similar understanding of "SecBI". Considering that after the completion of this transaction, many technical service providers of various categories with SecBI" as the logo will quickly appear in the world, which may affect your company, so I take the liberty to inform you in advance. If there are adverse effects, please see understanding. (Attached is a framework of the buyer's business model based on my interpretation, for your reference.)*
*Mr. ZHU Feng"*

(h) Ms Yang's online searches have revealed that Rui Qu has put its SECBI trade mark registrations up for sale on at least four commercial platforms. The price of each mark is as high as RMB 2,229,300, which Ms Yang said was around USD 328,516 or £267,625 at the date of her witness statement. Ms Yang also produces extracts from a notarial deed confirming the contents of the relevant sale websites together with an English translation.[24]

53. In response to the above evidence, Mr Feng filed a witness statement in which he states as follows:

[24] AY14

i. Rui Qu's business *"evolves around providing a commercial auxiliary service system across various industries and provide quality inspection, data support, packaging design services for private sector clients. The business model of providing convenient overseas operational support required [Rui Qu] to identify an English brand corresponding to the Chinese characters [corresponding to] "Rui Qu" (the name of the Opponent), meaning unobstructive, converging, profound and accessible"*;

ii. Rui Qu's business centred on the Chinese market which meant that their initial applications focused on the local Chinese Trademark Office ("CNIPA"). However, there are more than 30 million trade marks filed in China, and the number of registrations exceed 9 million times per year. Therefore, it is very difficult for Rui Qu to select a proper trade mark. Accessible Labs was not a factor in choosing CNVRG;

iii. In June 2019, Rui Qu had conducted clearance searches with an external company and among all English alternatives only "cnvrg" had made the most sense because [they] saw it as an abbreviation of CONVERGE, meaning many things coming together. Rui Qu was advised that the name CNVRG matched the meaning of "Rui Qu" and was free to be trade marked in China. On 21 November 2019, Rui Qu filed trade mark nos. 42509001 and 42518910 for the trade marks cnvrg and cnvrg.io to ascertain whether they could be successfully registered;

iv. On the day of the 42509001 and 42518910 Chinese applications were filed, Rui Qu had no knowledge of Intel's acquisition of Accessible Labs which was announced on 4 November 2020, well over a year after Rui Qu applied for its Chinese applications;

v. The country top-level domain .io is nominally assigned to the British Indian Ocean Territory and is commonly desirable for services that want to be associated with technology. .io domains are often used for open-source projects, application programming interfaces ("APIs"), start-up

companies, browser games, and other online services. This aligned with Rui Qu's vision for CNVRG hence why they selected it as a trade mark;

vi. On 22 November 2020, Rui Qu received an enquiry from Nick Wang, who claimed to represent Opali Limited, a Hong Kong company, expressing an interest to acquire Rui Qu's CNVRG trade marks.[25] Opali Limited is the owner of many Chinese trade marks on the CNIPA. Mr Feng responded to Nick Wang in the following terms: *"[…] if you want to use CNVRG, no need to buy from me. I can authorise the trade mark usage right to you because I was trying to build an authorisation and assistance platform hence registering for all classes […]".* This prompted Mr Feng to contact Mr Yochay Ettun from Accessible Labs and Mr Anthony Lin from Intel Capital to enquire if the acquisition requests had come from themselves;

vii. Because of the number of trade marks Opali Ltd held which resembled well-known enterprises, Mr Feng suspected Opali Ltd to be a shell company which sole purpose is to 'hoard' trade marks. Hence, he took the initiative to report Opali Ltd's correspondence to local law enforcement agencies, and further cooperate with any relevant investigations. He also registered www.cnvrg.ltd and www.cnvrg.net for the future benefit and use of the brand;

viii. The email Mr Feng sent to Mr Yochay Ettun and Anthony Lin contained no suggestion nor invitation to purchase the marks. In fact, he made clear that he had no intention of offering for sale of the mark and intended to enquire if the acquisition requests had come from themselves;

ix. At no point in time had Rui Qu or Mr Feng offered to sell any of their CNVRG trade marks to any parties, including Accessible Labs. Mr Feng reiterates that they selected the brand and applied for the trade marks in good faith;

[25] Annex 4

x. The four commercial platforms identified by Ms Yang as regards the offer for sale of the trade mark SECBI (quandashi.com, yuzhua.com, quandunipr.com and maihui.com) did not have authorisation from Rui Qu and the prices listed for the marks were without Rui Qu's knowledge. Mr Feng can only assume that these platforms act as a brokerage service and do not have the owners' authorisations to offer the marks for sale;

xi. Rui Qu had first applied for the SecBI marks eight years prior to the founding of the Israeli start-up SecBI Ltd in 2014 and the announcement of its acquisition by Logpoint. The first mark was registered on 16 October 2006 and registered on 14 May 2010. Therefore, it is not possible that Rui Qu registered the SecBI with reference to the Israeli start-up SecBI.

54. This concludes my summary of the evidence to the extent that I consider necessary.

**Assessment of bad faith**

55. The relevant date for assessing bad faith is the filing date of the application. Rui Qu's application no. UK00003594251 was filed on **11 February 2021**.

56. Accessible Labs' pleaded case on bad faith is that Rui Qu's application was filed without any intention to use the mark CNVRG in relation to any of the services applied for, the real intention behind the application being that of undermining, in a manner inconsistent with honest practices, the interests of Accessible Labs (who, at the filing date of the Rui Qu's application, was an existing user of the CNVRG and CNVRG.IO marks in the UK), and of obtaining an exclusive right for the purposes of obtaining leverage against Accessible Labs in an attempt to extract money from it.

57. As the courts have often reiterated, when it is alleged that the intention of a party in registering a trade mark is either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or 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, there must be *"objective, relevant and consistent indicia"* showing that the applicant had such an intention in order for such bad faith to be established.[26]

58. In this case there are more than *indicia* of bad faith. There are actually four decisions of the China National Intellectual Property Administration office ("CNIPA") that, based on the evidence filed by Accessible Labs, have concluded that Accessible Labs' allegations that the purpose of Rui Qu's applications for the mark CNVRG was to hoard a large number of trade marks and seek opportunities to sell them at high price, were justified. Mr Feng did not respond to this evidence, nor did he deny it. Further, as far as I am aware, no appeal has been filed against any of CNIPA's decisions.

59. Admittedly, the law that is most relevant to the question CNIPA had to decide is Article 44.1 of the Chinese Trade mark Law which does not use the term "*bad faith"* but refers to *"obtaining registration by other improper means"*. However, in its decisions, CNIPA explained that Article 44.1 means that the registrant of the disputed trade mark *"uses means other than deception to disturb the order of trade mark registration, damage public interests, improperly occupy public resources or seek improper benefits in other ways",* all concepts that imply bad faith. This was confirmed by CNIPA's finding that Rui Qu's applications[27] were *"obviously* ***malicious*** *and* ***violate[d] the principle of good faith****, disrupt[ed] the management of trademark registration, and undermine[d] the market order of fair competition"* and that the registration of these marks constituted *"the situation of "obtaining registration by improper means" referred to Article 44.1 of the Trademark Law".* Consequently, the *ratio* behind Section 3(6) of the Act and Article 44.1 of the Chinese Trade mark Law is the same, namely to prevent registration of trade marks that are malicious and violate the principle of good faith.

[26] *Sky v SkyKick* (C-371/18)

[27] I have seen translated versions only for Chinese trade marks nos. 42509001 and 42518910

60. I also take into account that CNIPA's decisions refer to Rui Qu's Chinese trade marks, and that Accessible Labs' allegations of bad faith relate to Rui Qu's UK application. However, it is clear that Rui Qu's UK application is not part of a genuine business. As it emerges from the evidence (see below) and as it was found by CNIPA, Rui Qu never intended to use the mark CNVRG as a badge of origin in relation to any goods or services (including the applied-for services) neither in China, nor in the EU or the UK.

61. The most important of the *indicia* on which Accessible Labs relies in this case is that soon after Accessible Labs was acquired by the renowned company Intel (acquisition which was made public on 4 November 2020), Zhu Feng, who is the chief executive of Rui Qu, approached Accessible Labs and Intel inviting them make contact with Rui Qui with a view to acquiring Rui Qu's Chinese trade marks for the word CNVRG.

62. Initially, Mr Feng's correspondence did not appear to be threatening. Rather, having claimed that his company owned a number of trade mark registrations for the word CNVRG in China, and that he had received some acquisition offers from various overseas institutions, Mr Feng made some statements, which Accessible Labs and Intel took as offering a *first refusal right* inviting them to show an interest in acquiring Rui Qu's Chinese CNVRG trade marks before Mr Feng offered the marks to others.[28]

63. Mr Feng's version of the events is that what prompted him to contact Mr Yochay Ettun (from Accessible Labs) and Mr Anthony Lin (from Intel Capital) was the fact that on 2 November 2020, Rui Qu received an enquiry from an individual called Nick Wang who claimed to represent a third-party company called Opali Limited and expressed an interest in acquiring Rui Qu's CNVRG trade marks. Mr Feng said that following this enquiry, he wanted to check if Mr Wang's acquisition requests had come from Accessible Labs and Intel. This might *prima facie* sound as a reasonable explanation, however, when one reads Mr Feng's account, it does not make sense; further, it is not consistent with the language used by Mr Feng in his correspondence. Notably, in his witness statement, Mr Feng said that Opali Limited is the owner of many Chinese trade

[28] Mr Ettun's witness statement

mark registrations and that he reported it to the local law enforcement agencies because he suspected the company was a trade mark troll. Still, despite his concerns, on 24 November 2020, Mr Feng replied to Mr Wang saying that he did not need to buy the mark because he (Mr Feng) was trying to build an authorisation and assistance platform by registering the mark CNVRG in all classes and could authorise Mr Wang to usage rights.

64. First, this begs the question of why, if Mr Feng really thought that the entity behind Mr Wang was a trade mark troll (which he reported the local enforcement agencies), Mr Feng decided to contact Accessible Labs and Intel, who were the legitimate users of the mark CNVRG, to check if Mr Wang's acquisition request came from them. Second, Mr Feng's version does not tally with the fact that Mr Feng had already responded to Mr Wang saying that he did not need to buy the mark as usage rights could be authorised and is not consistent with the language used by Mr Feng in his emails. In fact, whilst the language of the email sent to Mr Lin is more obscure, Mr Feng's email to Mr Ettun (dated 11 December 2020) is sufficiently clear to be understood as an invitation to make an offer to purchase Rui Qu's Chinese trade marks before Mr Feng responded to the other offers. It states:

> *"Hello, I am the trademark holder of "CNVRG" in China. Recently, I received a number of urgent offers from foreign institutions to purchase this trademark, and today there were two more such organizations, which should be related to the acquisition of your company by Intel.* ***I have no intention of adversely affecting your company by disposing of my assets. Therefore, before responding to the tender offer, I take the liberty to contact you.*** *The specific information has been sent to your email."*

65. This also undermines the credibility of Mr Feng's statement that the choice of the name CNVRG had nothing to do with the use of the same name by Accessible Labs.
66. Even if the news of Intel acquiring Accessible Labs was announced on 4 November 2020, and Rui Qu's first Chinese applications for the mark CNVRG were filed nearly a year before that announcement, namely on 21 November 2019, Accessible Labs' evidence is that it started using the mark CNVRG and CNVRG.IO in 2017, three years before Rui Qu applied for the Chinese marks, which means that, given Rui Qu's

subsequent actions, it is likely that when it applied for the Chinese marks, it knew of Accessible Labs' use of the sign CNVRG and CNVRG.IO in relation to its services.

67. The evidence is not clear as to whether Accessible Labs and Intel replied to Mr Feng's initial email, however, it seems likely that Mr Feng did not receive any answer (or he did not receive the answer he was seeking, i.e. an offer to purchase the marks). As it was, having got nowhere with his (more friendly) emails, Mr Feng started threatening Accessible Labs with infringement proceedings and opposed Accessible Labs' EUTM applications and its comparable UK trade mark applications.

68. I also take into account the following facts:

(a) That Rui Qu presented its own business online as consisting of an operation aimed at providing an *"open-source intellectual property system"* to firms and demanders of trade mark rights;

(b) That by December 2020 Rui Qu owned over 260 Chinese trade mark registrations, 110 of which are for the mark CNVRG across 45 classes;

(c) That when Mr Feng replied to Mr Wang who said he was interested in buying the mark CNVRG, Mr Feng stated that he could authorise the trade mark usage right because he was trying to build an authorisation and assistance platform hence registering for all classes;

(d) There is evidence of Mr Feng approaching another company on behalf of Rui Qu which discloses a similar pattern of behaviour to that which I have described in relation to the correspondence sent by Mr Feng to Mr Ettun and Mr Lin, as further evidence of his continuing vexatious approach against legitimate owners of trade marks.

69. When one pieces all of this evidence together, the only conclusion that can be reached is that Rui Qui had no genuine business and no intention to use the mark CNVRG as a badge of origin in relation to any goods or services. Hence, I find that

Rui Qu's UK application no. 3594251 was only an extension of his malicious Chinese operation, which consisted in obtaining monopoly rights in relation to trade marks by registering them for the only purpose of threatening legitimate users of identical or similar trade marks to sue them in an attempt to extort some payments. The bad faith claim is made out.

70. The claim under Section 3(6) is successful.

**SECTION 5(2)(b)**

71. Section 5(1) and 5(2)(a) of the Act is as follows:

> "(1) A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.
>
> (2) A trade mark shall not be registered if because-
>
> (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected, or
> (b) […]
>
> there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark".

72. Section 5A of the Act is as follows:

> "5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

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

(a) The likelihood of confusion must be appreciated globally, taking account of all relevant factors;

(b) the matter must be judged through the eyes of the average consumer of the goods or services in question, who is deemed to be reasonably well informed and reasonably circumspect and observant, but who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them he has kept in his mind, and whose attention varies according to the category of goods or services in question;

(c) the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details;

(d) the visual, aural and conceptual similarities of the marks must normally be assessed by reference to the overall impressions created by the marks bearing in mind their distinctive and dominant components, but it is only when all other components of a complex mark are negligible that it is permissible to make the comparison solely on the basis of the dominant elements;

(e) nevertheless, the overall impression conveyed to the public by a composite trade mark may be dominated by one or more of its components;

(f) however, it is also possible that in a particular case an element corresponding to an earlier trade mark may retain an independent distinctive role in a composite mark, without necessarily constituting a dominant element of that mark;

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion.

**Rui Qu's priority claim**

74. As it will be recalled, Accessible Labs raised the point that the priority date of Rui Qu's application no. UK00003594251 was not valid. This point was partially accepted by the Hearing Officer following the CMC of 12 May 2022. Accessible Labs was therefore allowed to add grounds based on 5(1) and 5(2) in relation to some of the applied-for services, namely those for which the priority claim was found to be invalid.

75. Following the decision of 12 May 2022, Ms Yang gave evidence that Accessible Labs' opposition against the Chinese trade mark application no. 48917642 from which Rui Qu's application no. UK00003594251 claimed priority had been successful. However, this does not affect the validity of the priority date of Rui Qu's application no. UK00003594251 in the present proceedings because the only requirement for a

priority claim is that the filing was sufficient to establish a filing date.[29] Section 35(3) of the Act in fact states:

> "Any filing which in a Convention country is equivalent to a regular national filing, under its domestic legislation or an international agreement, shall be treated as giving rise to the right of priority.
>
> A "regular national filing" means a filing which is adequate to establish the date on which the application was filed in that country, whatever may be the subsequent fate of the application."

76. A UK filing is sufficient to establish a filing date even if the application was filed in bad faith and there is no evidence that the domestic law in China is different. Consequently, the Chinese bad faith filing is enough to establish a priority date.

77. I also bear in mind that following the CMC decision of 19 May 2022, the following services in the application were found to be objectionable under Sections 5(1) and 5(2):

> *technical research; computer software design; computer hardware design and development consulting; platform as a service (PaaS)*

and that there is a slight inconsistency between these services and the services that Accessible Labs objected under Sections 5(1) and 5(2). The latter, in fact, includes *quality assessment* and *industrial design* which the Hearing Officer found not be objectionable. In its submissions in lieu, Accessible Labs argued that the Hearing Officer should have found that the priority date of Rui Qu's application no. UK00003594251 was also invalid in relation to *quality assessment* and *industrial design* because Rui Qu owns a further earlier Chinese application for the word mark "CNVRG" in class 42 (no. 47470282) filed on 22 June 2020 that covers *quality evaluation; medical research; material testing; industrial design; design of interior decor*. However, be as it may, if Accessible Labs was not satisfied with the *interim*

[29] See BL-O/359/18 and O/474/00

decision of 19 May 2022, it should have sought leave to appeal. Further, I am of the view that a further review of the issue relating to the validity of the priority date of Rui Qu's application no. UK00003594251 is not possible at this stage as it would result in an amendment of Accessible Labs' pleadings (because the opposition based upon Sections 5(1) and 5(2) would be allowed to proceed against *quality assessment* and *industrial design*) without Rui Qu having an opportunity to amend its defence in relation to the additional services. Hence, I reject Accessible Labs' argument.

**Comparison services**

78. When making the comparison, all relevant factors relating to the goods and services in the specifications should be taken into account. In *Canon Kabushiki Kaisha*, the CJEU stated that:

> "23. In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or complementary."

79. Guidance on this issue was also given by Jacob J (as he then was) in *British Sugar Plc v James Robertson & Sons Limited ("Treat")* [1996] RPC 281. At [296], he identified the following relevant factors:

(a) The respective uses of the respective goods or services;

(b) The respective users of the respective goods or services;

(c) The physical nature of the goods or acts of service;

(d) The respective trade channels through which the goods or services reach the market;

(e) In the case of self-serve consumer items, where in practice they are respectively found, or likely to be found, in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;

(f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

80. The General Court ("GC") confirmed in *Gérard Meric v OHIM*, Case T-133/05, paragraph 29, that, even if goods are not worded identically, they can still be considered identical if one term falls within the scope of another, or vice versa.

81. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU held that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods or services. The GC clarified the meaning of "complementary" goods or services in *Boston Scientific Ltd v OHIM*, Case T-325/06, at paragraph 82:

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

82. In *Sanco SA v OHIM,* Case T-249/11, the GC indicated that goods and services may be regarded as 'complementary' and therefore similar to a degree in circumstances where the nature and purpose of the respective goods and services are very different, i.e. *chicken* against *transport services for chickens*. The purpose of examining whether there is a complementary relationship between the goods/services is to assess whether the relevant public are liable to believe that the responsibility for the goods/services lies with the same undertaking or with economically connected undertakings. As Mr Daniel Alexander Q.C. noted as the Appointed Person in *Sandra Amelia Mary Elliot v LRC Holdings Limited* BL-0-255-13*:*

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

83. Whilst on the other hand:

".....it is neither necessary nor sufficient for a finding of similarity that the goods in question must be used together or that they are sold together"

84. The services to be compared are as follows:

| **Rui Qu's opposed services** | **Accessible Labs' services** |
|---|---|
| **Class 42:** *Technical research; computer software design; computer hardware design and development consulting; platform as a service (PaaS)* | **Class 9:** *Computer hardware; computers and computer peripheral devices; data processing equipment; computer hardware for use in cognitive computing, machine learning, learning algorithms, artificial intelligence and data analysis; computer software; computer software for machine learning and data analysis; computer software for artificial intelligence; computer software for monitoring, optimizing, unifying and managing server networks, machine learning infrastructure, and computing resources; software development kits; software development and data science tools; computer operating system software; computer operating system software for machine learning; computer operating system software for artificial intelligence; computer machine learning platforms; computer machine learning* |

| | |
|---|---|
| | *platforms to build and deploy artificial intelligence models; apparatus and instruments for recording, transmitting, reproducing or processing sound, images or data; software for use in designing and developing cognitive computing, machine learning, learning algorithms, artificial intelligence, and data analysis; software libraries for use in designing and developing cognitive computing, machine learning, learning algorithms, artificial intelligence and data analysis.*<br><br>**Class 42:** *Design and development of computer software and systems; providing temporary use of on-line non-downloadable software for cognitive computing, machine learning, learning algorithms, artificial intelligence and data analysis; providing software as a service featuring software for cognitive computing, machine learning, learning algorithms, artificial intelligence, and data science; providing software as a service featuring software for data query and data analysis; providing temporary use of non-downloadable software for data mining; Providing information online in the field of cognitive computing, machine learning, learning algorithms, artificial intelligence and data analysis; providing computer hardware and* |

| | |
|---|---|
| | *software design services; providing online software tools monitoring, optimizing, unifying and managing software and server networks; providing online software development kits; software as a service (SAAS); platform as a service (PAAS); providing software platforms as a service (PAAS) in the field of cognitive computing, machine learning, learning algorithms, artificial intelligence and data analysis; software consulting and providing information on software as service; computer software services for providing cloud computing capabilities for machine learning operation and model management; services for enabling applications to be deployed across an online network; hosting of digital content on the internet; providing customers and technicians with information relating to machine learning operation and development; Providing software platform for machine learning and artificial intelligence management and solutions.* |

85. Both specifications contain the term *platform as a service (PAAS);* these services are self-evidently identical. Rui Qu's *computer software design* is identical to Accessible Labs' *providing computer hardware and software design services.* Rui Qu's *computer hardware design and development consulting* is similar to a medium degree to Accessible Labs' *providing computer hardware and software design services* because the services are provided in the same field, target the same users, have a similar purpose, share trade channels and are complementary. Rui Qu's *technical research* can include services in the fields of computer programming and

development and are at least similar to a medium degree to Accessible Labs' *design and development of computer software and systems* as they coincide in their distribution channels, relevant public and commercial origin.

**Average consumer**

86. As the case law above indicates, it is necessary for me to determine who the average consumer is for the respective parties' goods and services. I must then determine the manner in which the goods and services are likely to be selected by the average consumer. In *Hearst Holdings Inc, Fleischer Studios Inc v A.V.E.L.A. Inc, Poeticgem Limited, The Partnership (Trading) Limited, U Wear Limited, J Fox Limited,* [2014] EWHC 439 (Ch), Birss J. (as he then was) described the average consumer in these terms:

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

87. The average consumer of the goods and service at issue is a business user. The purchasing process for these goods is likely to be dominated by visual considerations. However, I do not discount aural considerations entirely as it is possible that the purchasing of these services would involve oral discussions with the developers, or word of mouth recommendations. The degree of attention is likely to be above medium or high given the specialised nature of the services and their price.

**Comparison of marks**

88. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual

similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

> ".....it is necessary to ascertain, in each individual case, the overall impression made on the target public by the sign for which registration is sought, by means of, inter alia, an analysis of the components of a sign and of their relative weight in the perception of the target public, and then, in the light of that overall impression and all factors relevant to the circumstances of the case, to assess the likelihood of confusion."

89. It would be wrong, therefore, to artificially dissect the trade marks, although it is necessary to take into account the distinctive and dominant components of the marks and to give due weight to any other features which are not negligible and therefore contribute to the overall impressions created by the marks. The respective marks are shown below:

| **Rui Qu's mark** | **Accessible Labs' mark** |
|---|---|
| CNVRG | CNVRG |

90. Although Accessible Labs also relies on the mark CNVRG.IO, this is further away from Rui Qu's mark, hence I will disregard it. Both marks consist of the word CNVRG. They are self-evidently identical. The opposition therefore succeeds under Section 5(1) in relation to the services which I found to be identical, namely, *computer software design; platform as a service (PaaS).*

**Distinctive character of earlier mark**

91. In *Lloyd Schuhfabrik Meyer & Co. GmbH v Klijsen Handel BV,* Case C-342/97, the CJEU stated that:

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *WindsurfingChiemsee* v *Huber and Attenberger* [1999] ECR I-0000, paragraph 49).
>
> 23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51)."

92. Registered trade marks possess various degrees of inherent distinctive character, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods or services, to those with high inherent distinctive character, such as invented words which have no allusive qualities. The distinctiveness of a mark can be enhanced by virtue of the use made of it.

93. Although the opponent has shown use of the mark in the UK, I found that it was not sufficient to give raise to any goodwill. For similar reasons to those set out above, I find that any use of Accessible Labs' mark in the UK has not enhanced its

distinctiveness. Therefore, I only have the inherent distinctiveness of the mark to consider.

94. The string of letter CNVRG in Accessible Labs' mark will be perceived either as acronym or as an abbreviation of the word CONVERGENCE. Either way, it is neither descriptive nor allusive of the services in question and, as such, it has a medium degree of distinctiveness.

**Likelihood of confusion**

95. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind. The first is the interdependency principle i.e. a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. As I mentioned above, it is necessary for me to keep in mind the distinctive character of the earlier mark, the average consumer for the goods and services and the nature of the purchasing process. In doing so, I must be alive to the fact that the average consumer rarely has the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

96. I have found some of the services in question to be similar. The selection of the services will be predominantly visual and the average consumer's degree of attention when selecting the services will be vary from medium to high, depending on the nature and value of the services. I have found the marks to be identical and the earlier mark to be distinctive to a medium degree.

97. In my view, given the identity of the marks and the medium degree of distinctiveness of the earlier mark, the relevant public will directly confuse the marks when similar services are involved and will perceive Rui Qu's services as an extension of Accessible Labs' business. There is a likelihood of confusion.

98. As a result of the above, the opposition hereby succeeds under Section 5(1) and 5(2)(a) in relation to the following services:

> **Class 42:** *Technical research; computer software design; computer hardware design and development consulting; platform as a service (PaaS).*

**OUTCOME OF THE OPPOSITION AGAINST RUI QU'S UK TRADE MARK APPLICATION NO. UK00003594251**

99. The opposition against UK trade mark application no. UK00003594251 under Section 3(6), Section 5(1) and Section 5(2)(a) is successful. Although the opposition under Section 5(1) and 5(2)(a) was partial, the opposition under Section 3(6) was directed against the entire specification. Consequently UK trade mark application no. UK00003594251 is refused in its entirety.

**CONSEQUENCES OF THE OUTCOME OF THE OPPOSITION AGAINST RUI QU'S UK TRADE MARK APPLICATION NO. UK00003594251 ON RUI QU'S OPPOSITIONS NOS. 600001955 AND 600001956 AGAINST ACCESSIBLE LABS' APPLICATIONS NOS. UK00003602655 AND UK00003602719.**

100. As Accessible Labs' opposition against Rui Qu's application no. UK00003594251 has been successful, Rui Qu's application no. UK00003594251 is no longer an earlier mark and Rui Qu can no longer rely on it for the purpose of opposing Accessible Labs' applications nos. UK00003602655 and UK00003602719. Hence, Rui Qu's oppositions nos. 600001955 and 600001956 fail and Accessible Labs' applications nos. UK00003602655 and UK00003602719 will proceed to registration.

**COSTS**

101. Accessible Labs has been successful and is, consequently, entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award Accessible Labs the sum of **£3,900** calculated as follows:

| | |
|---|---|
| Preparing a statement and considering Rui Qu's statements (£400x3): | £1,200 |
| Filing evidence: | £2000 |
| Submission in lieu: | £500 |
| Official fees: | £200 |
| **Total** | **£3,900** |

102. I therefore order Rui Qu (Shanghai) Enterprise Management Consulting Company Limited to pay Accessible Labs Ltd. the sum of **£3,900**. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of the proceedings if any appeal against this decision is unsuccessful.

**Dated this 22nd day of August 2023**

**Teresa Perks**
**For the Registrar**