

O/0947/23

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO. UK00003580316

IN THE NAME OF

SUZHOU HAOYUE QIANLI INTERNATIONAL IMPORT AND EXPORT CO., LTD.

FOR THE FOLLOWING TRADE MARK:

Le'raze

IN CLASS 21

AND AN APPLICATION FOR A DECLARATION OF INVALIDITY THERETO

UNDER NO. 505005

BY G&L DÉCOR INC

BACKGROUND AND PLEADINGS

1. Suzhou Haoyue Qianli International Import and Export Co., Ltd (“the proprietor”) is the owner of the trade mark shown on the cover page of this decision (“the Contested Mark”). The Contested Mark was applied for on 17 January 2021 and registered on 21 May 2021. The Contested Mark stands registered for the following goods:

Class 21 Teapots; Glass bulbs [receptacles]; Glass vials [receptacles]; Drinking glasses; Liqueur sets; Tea services [tableware]; Glasses [receptacles]; Containers for household or kitchen use; Kitchen containers; Glass vases.

2. On 20 June 2022, G&L Décor Inc (“the applicant”) applied to have the Contested Mark declared invalid under section 47 of the Trade Marks Act 1994 (“the Act”). The application is based upon section 5(4)(a) of the Act.

3. The applicant claims to have used the sign **LE’RAZE** throughout the UK since 16 September 2015 in relation to:

“clocks; candle holders; decanters; drinking glasses; drinking glasses, namely, tumblers; glass jars; glass storage jars; pitchers; serving bowls (hachi); serving spoons; serving trays; serving trays of precious metals; crockery, namely, pots, dishes, drinking cups and saucers, bowls, serving bowls and trays; food preserving jars of glass; mason jars; boxes specially adapted for the storage of cutlery and flatware; flatware, namely, forks, knives, and spoons; table cutlery; serving knives; decorative mirrors; flower-pot pedestals; furniture frames; jewelry organizer displays; non-metal bins; non-metal fabric storage bin organizer; pedestals; picture frames; plastic bins; wine racks; wood bins; household utensils, glassware, jars, bowls, trays, cups, boxes, cutlery, bins, mirrors, glasses, mugs, tableware, containers, vases, receptacles; tumblers, cake plates, servers, candle holders, decanter sets, glasses, canister sets, serveware, trays, water dispensers, glass jars, metal jars and containers, dishes, knives, bowls, decanters, pitchers, dispensers, plates, cork screws, goblets.”

4. The applicant claims that use of the proprietor's mark would be contrary to the law of passing off.

5. The proprietor filed a counterstatement claiming that it has used its mark in the UK for "many years" and explaining the reason for choosing the Contested Mark.

6. The proprietor is represented by Engvat Limited and the applicant is represented by Page, White & Farrer Limited.

7. Only the applicant filed evidence during the evidence rounds. Neither party requested a hearing, and only the applicant filed written submissions in lieu. This decision is taken following a careful perusal of the papers.

EVIDENCE AND SUBMISSIONS

8. The proprietor filed a number of documents with its counterstatement. The purpose of these documents is to demonstrate the alleged use of the Contested Mark prior to the relevant date. Although these documents were not filed in the correct evidential format, as they are filed under a signed statement of truth as part of the counterstatement, I will treat them as evidence for the purpose of these proceedings.

9. The applicant filed evidence in the form of the witness statements of:

a) Tuvia Rotberg dated 16 January 2023, which is accompanied by 3 exhibits. Ms Rotberg is the US Attorney acting on behalf of the applicant. Her evidence seeks to disprove the proprietor's claimed prior use of the Contested Mark.

b) Joel Green dated 16 January 2023, which is accompanied by 9 exhibits. Mr Green is the owner of the applicant. His evidence goes to the use that has been made of the sign relied upon in these proceedings.

10. The applicant filed written submissions in lieu dated 3 May 2023.

11. I have taken the evidence and submissions into account in reaching my decision and will refer to them below where I consider necessary.

RELEVANCE OF EU LAW

12. 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 Act relied upon 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.

PRELIMINARY ISSUE

13. The applicant has questioned the conduct of the proprietor's business, describing it as "high risk" and "abnormal". However, the grounds of invalidation brought in this case are not concerned with the conduct of the proprietor; the only question is whether the use of the proprietor's mark would be contrary to the law of passing off. Consequently, I do not consider that this line of argument assists the applicant.

DECISION

14. Section 5(4)(a) has application in invalidation proceedings pursuant to section 47 of the Act. The relevant parts of section 47 are set out below:

"47. [...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) [...]

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

[...]

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.”

15. Section 5(4)(a) of the Act reads as follows:

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented -

a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, where the condition in subsection (4A) is met,

aa)...

b) ...

A person thus entitled to prevent the use of a trade mark is referred to in this Act as the proprietor of “an earlier right” in relation to the trade mark”.

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

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of application for registration of the trade mark or date of the priority claimed for that application.”

17. 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).”

The relevant date

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

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘Strictly, the relevant date for assessing whether s.5(4)(a) applies is always the date of the application for registration or, if there is a priority date, that date: see Article 4 of Directive 89/104. However, where the applicant has used the mark before the date of the application it is necessary to consider what the position would have been at the date of the start of the behaviour complained about, and then to assess whether the position would have been any different at the later date when the application was made.’”

19. The prima facie relevant date is the date of application for the Contested Mark i.e. 17 January 2021. However, the proprietor claims to have used the Contested Mark prior to that date. In its counterstatement, the proprietor states:

“The mark has been used in commerce in the UK for many years, the selling links from the online platform (Shopify) is as follows: [...]

The products with the mark are also attached.”

20. A number of images of glassware were attached to the TM8. They appear alongside packaging displaying the sign, Le-raze. However, these images are undated. Some web print outs have also been provided. However, these are mainly dated only with the print date of July 2022 (which is after the prima facie relevant date). I note that one identifies the product launch date as 21 July 2016. However, this page (as do the others) lists the product for sale in US dollars. Consequently, it does not appear to me that this is use aimed at the UK market. I am not, therefore, satisfied that the proprietor has demonstrated that there is an earlier relevant date even on the basis of the evidence filed being taken at face value. Consequently, I do not need to consider the applicant’s evidence which seeks to disprove the proprietor’s position and I need only make my assessment based on the prima facie relevant date.

Goodwill

21. In *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL), goodwill was described in the following terms:

“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.”

22. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

“27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent than the enquiry under s.11 of the 1938 Act (see *Smith Hayden & Co. Ltd's Application (OVAX)* (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.

28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur.”

23. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (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 or passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

24. The evidence filed by the applicant is limited. Mr Green gives evidence that the applicant has been using the sign LE'RAZE since 2015 and that the applicant has an annual revenue of around £10million. That evidence is unchallenged, and I have no reason to doubt its accuracy. However, Mr Green does not clarify what proportion of that use (if any) relates to the UK market. This is a significant issue given that the applicant must show that it has customers in the UK in order to establish goodwill.¹ In this regard, I note that the applicant has provided an extract from its website which, as well as being undated, lists products for sale in US dollars.² It appears, therefore, that the applicant is focused upon the US market.

25. I note that there have been products listed for sale on the UK Amazon page and that these have been available for sale since as early as 2015.³ The majority of these listings have a number of customer reviews associated with them. However, of those pages that make reference to the detail of these customer reviews, the majority state that there have been "0 reviews and 0 ratings from United Kingdom". The reviews that are visible are from customers located in countries such as Canada and the United States. This supports the position that the applicant is focused upon the US market. I note that only one listing on the Amazon UK page is identified as having any UK reviews, and that has only 7.

¹ *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*, [2015] UKSC 31

² Exhibit JG2

³ Exhibits JG3 and JG4

26. I note that the applicant has operated a Twitter page since December 2018.⁴ However, I do not consider that this assists the applicant in the absence of any evidence showing the quantity of UK sales or customers.

27. Mr Green gives evidence that there has been continuous use of the sign LE'RAZE in the UK since 2015 via Amazon sales. Again, that evidence is unchallenged, and I have no reason to doubt its accuracy. However, I have no evidence which enables me to assess the extent of the use in the UK. In its written submissions, the applicant has directed me to various cases in which it has been confirmed that small businesses may still be protected by the law of passing off. That is, of course, correct. However, the law of passing off does not protect a goodwill of trivial extent.⁵ The burden of proving a protectable goodwill is on the applicant; in my view, the applicant has failed to discharge that burden. It is impossible for me to assess whether the applicant's trade in the UK has crossed the line from trivial to protectable goodwill in the absence of more detailed evidence. 7 reviews from UK customers are not sufficient. The evidence filed is simply insufficient to establish the goodwill required to succeed under this ground.

CONCLUSION

28. The application for invalidation is unsuccessful and the Contested Mark may remain on the register.

COSTS

29. As the proprietor has been successful it is entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the proprietor the sum of **£650**, calculated as follows:

Considering the Notice of opposition and preparing a counterstatement	£300
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⁴ Exhibit JG5

⁵ *Hart v Relentless Records* [2002] EWHC 1984 (Ch)

Considering the applicant's evidence £350

Total £650

30. I therefore order G&L Décor Ltd to pay Suzhou Haoyue Qianli International Import and Export Co., Ltd the sum of **£650**. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 4th day of October 2023

S WILSON

For the Registrar