

O/0994/23

TRADE MARKS ACT 1994

**IN THE MATTER OF
UK DESIGNATION OF INTERNATIONAL REGISTRATION
NO. WO0000001622066
IN THE NAME OF ROIDMI INFORMATION TECHNOLOGY CO., LTD.**

FOR

ROIDMI

IN CLASS 7

AND


**IN THE MATTER OF THE OPPOSITION THERETO UNDER NO. 431418
BY XIAOMI INC.**



BACKGROUND AND PLEADINGS

1. On 23 August 2021 - claiming priority from 21 July 2021, based on Chinese trade mark No. 57884013 - Roidmi Information Technology Co., Ltd. (“**the Holder**”) applied to designate for protection in the UK, International Registration No. WO0000001622066 (the “**Contested Designation**”) for the figurative trade mark shown on the cover of this decision (the “**Contested Mark**”) in respect of the following goods in Class 7:

Spraying machines; filters for cleaning cooling air, for engines; industrial robots; dishwashers; washing machines [laundry]; central vacuum cleaning installations; dust exhausting installations for cleaning purposes; engraving machines; electric screwdrivers; hand-held vacuum cleaners; vacuum cleaners; dust removing installations for cleaning purposes; vehicle washing installations; wind-powered electricity generators; air filters [parts of engines]; disintegrators; carburetter feeders; moulding machines; lawnmowers; wringing machines for laundry; electric cordless sweepers; steam mops; machines and apparatus for wax-polishing, electric; kitchen machines, electric; air pumps; washing apparatus; hand-held tools, other than hand-operated.

2. On 28 February 2022, Xiaomi Inc (the “**Opponent**”) filed an opposition directed at the whole of the Contested Designation. The opposition is based on claims under **sections 5(2)(b), 5(3), 5(4)(a) and 3(6)** of the Trade Marks Act 1994 (“**the Act**”).
3. For its claims under sections 5(2)(b) and 5(3) of the Act, the Opponent relies in each case on the following three trade mark registrations:

<p>Mark 1:</p> <p>UK Registration No. 917601667</p> 	<p>Filing date: 15 December 2017</p> <p>Registration date: 22 October 2019</p> <p>Goods & Services in Classes 9, 35 and 42</p> <p>(The goods and services are listed at Annex 1 to this decision)</p>
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<p>Mark 2: UK Designation of IR No. 1462437</p> 	<p>Filing date: 20 August 2018 (claiming priority from 1 March 2017)</p> <p>Registration date: 20 September 2019</p> <p>Goods & Services in Classes 9, 11 and 35 (The goods and services are listed at Annex 2 to this decision)</p>
<p>Mark 3: UK Registration No. UK00918106851</p> 	<p>Filing date: 12 August 2019</p> <p>Registration date: 25 January 2020</p> <p>Goods in Classes 8 and 24 (The goods are listed at Annex 3 to this decision)</p>

The section 5(2)(b) claim

4. For its section 5(2)(b) claim, the Opponent relies on only some of its registered goods. It claims that:
- i. all of the Class 7 goods in the Contested Designation are “at least highly similar” to the Opponent’s goods in Class 9 (under Marks 1 and 2), in Class 11 (under Mark 2), and Class 8 (under Mark 3);
 - ii. the parties’ marks are highly similar;
 - iii. there is consequently a risk of confusion and / or association between the Opponent’s marks and the Contested Designation.

The section 5(3) claim

5. For its section 5(3) claim, the Opponent claims that it has made extensive use of its prior marks for many years such that the marks have acquired a reputation in the United Kingdom in respect all of the goods and services registered under its three trade marks. The Opponent claims that the Contested Mark is similar to its marks and that use of the Contested Designation without due cause would take unfair advantage of, or would be detrimental to, the distinctive character or reputation of the Opponent's trade marks.
6. The Opponent sets out its claims under section 5(3) as follows. It states that the Opponent "has invested a large sum of money in promoting and advertising its business, goods and services over many years, such that it is regarded as a leading supplier of computer software, mobile apps, smartphones, computer hardware, tools, vacuum cleaners, cleaning products and utensils, electronic, audio, video and home appliance products generally."¹
7. The Opponent claims that "the average consumer will invariably associate the Opponent's marks with the Opponent", and submits that the Applicant's use and registration of the Contested Mark "is designed to ride off the coattails of the Opponent's reputation, which has been built up over many years. The Contested Mark will immediately call the Opponent's marks to mind and so the Applicant will gain an unfair advantage by benefiting from the established reputation of the Opponent."
8. "Moreover, the Opponent is proactive in ensuring that the register and the marketplace are kept free of confusingly similar marks to their MI brands. In this case, if the Applicant were allowed to register and use the contested mark for identical or highly similar goods it would inevitably dilute the Opponent's rights and therefore negatively impact the distinctive character of the Opponent's marks."
9. The Opponent claims that its "business is highly reputable and that its goods and services are of extremely high quality. Consumers will infer a link between the respective owners or their marks and believe they are economically or commercially linked. This may affect the economic behaviour of consumers through loss or diversion of sales due to believing that the goods have derived from the Opponent when they have not, or tarnishment, as a result of the inferior quality of any goods."

1 Paragraph 9 of statement of grounds.

The section 5(4)(a) claim

10. For its section 5(4)(a) claim, the Opponent claims that through use of its marks in trade, the Opponent owns goodwill and has acquired rights enabling it, by virtue of the law of passing off, to prohibit registration of the Contested Registration. The two marks (or signs) relied on for this ground are:



and

MI

11. The claim is that use of the Contested Mark by the Holder would, by virtue of its similarity to the Opponent's marks (signs), misrepresent to consumers that the Contested Mark originates from, or is at least associated to, or approved by, the Opponent, which would inevitably cause damage including damage to the Opponent's reputation for high quality goods and services, should any use by the Holder fall below standard. Goodwill is claimed to have been generated by use in respect of the following goods:

Computer hardware; computer peripheral equipment; computer software; data processing equipment; computer memory devices; pedometers; apparatus for recording, transmission or reproduction of sound or images; measuring apparatus and instruments; smartphones; mobile phone accessories; GPS apparatus; sound recording devices; headphones; cameras; portable media players; video recording apparatus; video cameras; remote control apparatus; electric wires; battery chargers; smart watches; electronic sensors; security cameras; vehicles; electric vehicles; electric sooters; self-balancing boards; electric sweepers; dust removing machines; vacuum cleaners; electric steam mops; electric machines and apparatus for wax-polishing; electric kitchen machines; air pumps; washing apparatus; electric hand-held tools; washing machines; cleaning machines; electric cleaning machines; hand tools and implements; screwdrivers; safety clothing; remote controls; lamps; lighting apparatus; watering installations; water filtering apparatus; water purifying apparatus; air cleaners; retail services.

The section 3(6) claim

12. The Opponent claims that in applying for the contested Designation the Holder was acting in bad faith and that the application should therefore be refused under section 3(6) of the Act. The basis of that allegation is expressed in the statement of grounds in the following terms: the Opponent claims that the Holder filed the Designation "in breach of a contractual Capital-Withdrawal Agreement between both parties, whereby the Applicant

agreed to change their company name and cease designing, producing and selling any products under trade marks containing 'MI'. This application therefore falls well short of the standards of acceptable commercial behaviour observed by reasonable and experienced persons in the particular sector at issue or indeed the marketplace at large."

The Holder's defence

13. The Holder filed a notice of defence, including a counterstatement in which it denied all four grounds of the opposition and made detailed submissions in response to the claims under sections 5(2)(b), 5(3) and 5(4)(a) of the Act.

Papers filed and representation

14. During the evidence rounds the Opponent filed evidence in chief and the Holder filed submissions in reply. An oral hearing of the matter was requested by the Opponent and was scheduled for 26 June 2023, which the Holder indicated that it would not attend. On 22 June 2023, the Opponent advised the registry to vacate the scheduled oral hearing and filed submissions in lieu. The attorneys for the Holder are IPEY; the attorneys for the Opponent are Lane IP Limited. I make this decision having read all the papers filed and refer to their contents where I consider it warranted to do so.

EVIDENCE AND SUBMISSIONS FILED

Opponent's evidence

15. The Opponent's evidence in chief comprised:
 - (i) a **witness statement of Shen Chong** (17 November 2022) ("**WSSC**") with **Exhibits SC1 - SC25** and **SC27 - SC34**; and
 - (ii) a **witness statement of Rainy Barlow** (12 December 2022) ("**WSRB**") with **Exhibit RB1**.
16. Mr Chong is IP Director in the legal department of Xiaomi Inc (the Opponent), which is a legal entity incorporated in accordance with Chinese law. His evidence relates to the profile of the Xiaomi company and its brands in the global market, including the UK. His evidence is filed to establish the claimed reputation of the Opponent's trade marks, its claimed rights under the law of passing off and the claimed act of bad faith on the part of the Holder.
17. Mr Barlow is Head of Asia at Beijing Lane IP Limited, a legal entity incorporated in

accordance with Chinese law. He is of Chinese nationality and is fluent in English and Chinese. He confirms that the English translation of the document attached to Exhibit RB1 is accurate. Exhibit RB1, is the same as Exhibit SC5, which provides a copy, in Chinese and English, of a transfer of equity agreement dated 20 April 2019, on which document the bad faith allegation is based.

Holder's submissions

18. During the evidence rounds, the Holder filed written submissions, dated 13 February 2023, briefly referring back to its counterstatement as to why the Holder considers the claims under sections 5(2)(b), 5(3) and 5(4)(a) to be unsustainable. The written submissions also responded further to the section 3(6) claims, addressing the evidence of the agreement document in Exhibit SC5 / RB1.

MY APPROACH

19. This decision will first deal with the grounds under sections 5(2)(b), 5(3) and 5(4)(a) of the Act. I deal with those grounds relatively briefly because I find that they share the same critical flaw, which is that the marks are so different from one another that they cannot be considered similar at all. I will then deal with the section 3(6) ground and the detail of the relevant agreement.

DECISION

THE SECTION 5(2)(B) CLAIM

20. The Act states:

“Section 5 Relative grounds for refusal of registration.

(2) A trade mark shall not be registered if because—

(b) it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected, there exists a likelihood of confusion on the part of the public, which includes the likelihood of association with the earlier trade mark”.

21. The Opponent relies on three registrations, all of which were filed before the priority date of the Contested Designation, and which therefore qualify as an “earlier trade mark” for




the purposes of section 5.²

22. The case law principles are very well established and not disputed:

- (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.

23. A prerequisite for success under section 5(2)(b) is that the marks are similar. The marks to be compared are:

Opponent's Mark 1 and Mark 3	The Contested Mark
	
<p>Opponent's Mark 2</p>	
	

24. As the case law principles above make clear, 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.

25. The overall impression of the two earlier (figurative) marks is that they represent a device from which a word consisting of the letters MI may be extracted. The stylisation of the "M" in Marks 1 and 3 contributes to the overall impression of those marks. Although Mark

2 is also registered as a figurative mark, its stylisation is not distinctive nor notable in the overall impression of Mark 2. It is plainly the word or letters 'Mi'.

26. The overall impression of the Contested Mark is that it is the word ROIDMI, composed in a striking typeface, particularly in respect the letter "r" and "M".
27. The Opponent claims that the Contested Mark "is visually, phonetically and conceptually highly similar to the Opponent's marks, as the word 'MI' is a dominant and distinctive element of all of the respective marks. Whilst the contested mark contains the additional word 'ROID', this is insufficient to distinguish the marks as a whole given the overlapping 'MI' element."³ I reject that claim. Although the Contested Mark ends with the same two letters discernible in the Opponent's earlier marks, those two letters do not have an independent distinctive role in the Contested Mark. The Contested Mark is not a composite mark, it is a single (invented) word; nor is the stylisation of the shared letter "M" similar.

Visual comparison

28. The mark ROIDMI comprises 6 letters whereas the earlier marks comprise just two stylised letters. Marks must be perceived as a whole,⁴ and, as the Holder submits, it would be wrong to artificially dissect the contested mark into ROID and MI (or indeed RO and IDMI). The Holder states that the letter "M" in earlier Marks 1 and 3 features "a central stroke that is separate from the two outer strokes, the latter strokes being formed by an n-shaped formation."⁵ The Holder states the letter "M" in the word ROIDMI "comprises two outer strokes interconnected at their upper ends by a shallow U-shaped formation resembling a rope bridge."⁶ That strikes me as a fair description. Even in the shared letters, there are clear visual differences. The Contested Mark overall is three times the length of the earlier marks; its opening two-thirds are entirely absent from the earlier marks; and the notable stylisation of the Contested Mark differs from the stylisation of the earlier marks. That the two letters that discernible in the earlier marks, also feature in the six-letter word that is the Contested Mark is an inadequate basis for a finding of visual similarity in this case. It seems to me starkly obvious that the overall impressions created

3 Paragraph five the statement of grounds

4 See *Sabel BV v Puma AG*, C 25 1/95, (at paragraph 23)

5 The Holder's counterstatement 1.2.1

6 The Holder's counterstatement 1.2.2.

by the marks are completely different. The marks are not visually similar.

Aural comparison

29. ROIDMI will be spoken as the two syllables “ROYD-MEE.” The Opponent’s Marks 1, 2 and 3 may quite possibly be spoken as a single syllable sounding like “MY” or as the two constituent letters – so sounding like “EM EYE”. In those circumstances the respective marks have no aural overlap at all. If the earlier marks are voiced instead as the single syllable “MEE”, then there is an aural commonality with the second syllable of the Contested Mark. However, the presence of the opening syllable ROYD significantly diminishes the significance of that aural overlap. Many two-syllable words - invented or not, end with a MEE sound, without producing significant aural similarity – roomy, gamey, acme, army. The difference in sound is very obvious given the shortness of the earlier marks. The respective marks are aurally quite different overall.

Conceptual comparison

30. For a conceptual message to be relevant it must be capable of being immediately grasped by the average consumer.⁷ In its counterstatement the Holder submits that the MI of the Opponent’s marks stands for “Mobile Internet”, but that “this obscure meaning is unlikely to be understood by the average consumer who will simply see the Opponent’s mark as being a misspelling of the English word ‘me.’” I agree that nothing in the evidence leads me to believe that the UK general public would understand the earlier mark as standing for “Mobile Internet”. Although the earlier mark may be a homophone of the English first person pronoun “me”, I am not persuaded that the UK general public would immediately grasp that concept from the Opponent’s marks.
31. The word ROIDMI will be perceived as an invented word with no meaning. Overall, I find marks neither share a concept, nor are differentiated by a concept. In comparing the marks on a conceptual basis, the position is therefore neutral.

Overall similarity of the marks

32. I find the marks are not similar. Since similarity between the marks is a prerequisite for success under section 5(2)(b) the claim under that ground must inevitably fail.

⁷ This point is made in numerous judgments of the General Court and the Court of Justice of the European Union (“CJEU”) including *Ruiz Picasso v OHIM* [2006] E.C.R. I-643; [2006] E.T.M.R. 29.

33. I have no doubt at all that the marks are correctly considered dissimilar. For the sake of completeness, I would observe that if the mere fact that the constituent letters of the earlier marks also appear in the Contested Mark could be considered to generate any degree of visual or aural similarity at all, it could only be to such a low degree that there is no possibility of any confusion, even where the goods may be similar or even identical. In that regard, I note that the goods specified under Mark 2 in Class 11 include, for instance, *household electric kettle; bread toasters; microwave ovens [cooking apparatus]* and that these may be considered identical or highly similar to the applied-for *kitchen machines* under the Contested Designation. The notional average consumer for such goods will be a member of the general public who will typically pay a medium level of attention in purchasing them. There is nil prospect of the average consumer, reasonably circumspect and observant, confusing the marks directly or indirectly, so the section 5(2)(b) would equally inevitably again fail.

THE SECTION 5(3) CLAIM

34. Section 5(3) of the Act states:

“A trade mark which is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or the repute of the earlier trade mark.

(3A) Subsection (3) applies irrespective of whether the goods and services for which the trade mark is to be registered are identical with, similar to or not similar to those for which the earlier trade mark is protected.”

35. The relevant case law for section 5(3) can be found in the following judgments of the CJEU: *General Motors*, C-375/97, EU:C:1999:408; *Intel Corporation Inc. v CPM United Kingdom Ltd*, C252/07, EU:C:2008:655; *Adidas-Salomon & Anor v Fitnessworld Trading Ltd*, C-408/01, Page 34 of 61 EU:C:2003:582; *L'Oréal v Bellure*, C-487/07, EU:C:2009:378); and *Marks and Spencer v Interflora*, C-323/09, EU:C:2011:604. The parties do not dispute the legal principles, which are as follows:

- (a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors, paragraph 24.*
- (b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors, paragraph 26.*
- (c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman, paragraph 29 and Intel, paragraph 63.*
- (d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel, paragraph 42.*
- (e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel, paragraph 68;* whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel, paragraph 79.*
- (f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77.*
- (g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74.*
- (h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the

goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oréal v Bellure NV*, paragraph 40.

- (i) The advantage arising from the use by a third party of a sign similar to a mark with a reputation is an unfair advantage where it seeks to ride on the coat-tails of the senior mark in order to benefit from the power of attraction, the reputation and the prestige of that mark and to exploit, without paying any financial compensation, the marketing effort expended by the proprietor of the mark in order to create and maintain the mark's image. This covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation (*Marks and Spencer v Interflora*, paragraph 74 and the court's answer to question 1 in *L'Oréal v Bellure*).

36. Section 5(3) requires that a contested mark must be at least similar to an earlier mark (that claims reputation). I have previously explained why I find that the respective marks are not at all similar. Since a certain degree of similarity is required between the marks overall, it follows that the **section 5(3) must inevitably fail**.⁸

Opponent's evidence of use of the earlier marks

37. Since the marks are not similar, it is unnecessary for me to consider whether or to what extent the evidence filed by the Opponent supports its claim that its earlier trade marks had the necessary reputation under section 5(3), whether the UK public would make a mental link between the parties' marks and whether any of the claimed types of damage would occur.
38. However, it may be helpful to give the following brief account of the extensive evidence filed by the Opponent; my account provides context to assess reputation under section 5(3) (notwithstanding that I find that factor to be moot in the present case) and to assess the goodwill claimed for the section 5(4)(a) ground that I shall come on to (though there again the lack of similarity between the Contested Mark and the signs relied on is the determinative factor). It also serves as background context for when I consider the claim

⁸ See paragraph 68 of the CJEU ruling in *Calvin Klein Trademark Trust v OHIM*, Case C-254/09P.

of bad faith under section 3(6) ground.

39. What is described as the “Xiaomi Ecosystem” comprises 55 companies, including 29 companies that have been incubated from the beginning by Xiaomi. The company sells a wide range of products from smart phones to kettles and gloves. The company focuses on its core products - smartphones, smart TVs and smart routers - and invests in companies that produce other types of products without being involved in operational management. Xiaomi smart devices are stated to include “MI water purifier” and “MI induction heating rice cooker” and in 2018 over one million MI air purifiers were shipped annually at that time (globally presumably), but it seems that those goods are attributed to the brand “Zhimì”.⁹

It is fair to describe the Opponent as a giant in the smartphone market globally. By the priority date of the contested Designation, 21 July 2021 (“**the relevant date**”), Xiaomi had become the number one smartphone brand *globally* for the first time, ahead of Samsung and Apple, and the mark shown in the relevant press release resembles this mark:¹⁰



40. It is shown to have been listed among Brandz Top 100 Most Valuable Global Brands in

2019, 2020 and 2021. In 2021 the brand identified as



Xiaomi Technology

is ranked at No. 70 globally, ahead of trade marks more familiar to the UK public, such

as     and .¹¹

41. For the period July 2021 to July 2022, Xiaomi is shown to have 2.25% of mobile vendor market share in the United Kingdom, having grown from 1.57% for the period July 2020 to January 2021. These market shares are ahead of those achieved by Sony, Google

⁹ See the pie chart at Exhibit SC2, an extract from a 2018 article by Business Research Methodology.


¹⁰ Exhibit SC7

¹¹ Exhibit SC6

and Nokia.¹²


42. The Opponent opened its first authorised MI store in London in November 2018, where




the sign  is prominently displayed on the store front, though the store was closed March 2020 – July 2021 during the Covid-19 pandemic.¹³ The store is shown as selling Mi-branded products, including Mi 8 Pro Smartphone and a Mi wireless ergonomic mouse.¹⁴ Other goods in evidence are branded Xiaomi, rather than Mi. Xiaomi products have been sold in the UK online and through stores such as Argos, amazon.co.uk, John Lewis, and Currys PC World.¹⁵ Xiaomi was the world's largest wearable smart-band manufacturer in quarter 2 of 2021 with a global market share of 19.6%,¹⁶ including under its Mi Smart Band 6 - ahead of Apple and Huawei. India is shown to account for an important part of that market share.¹⁷

43. There is also evidence of sales through Argos by September 2020 of the “Xiaomi Mi Essential Electrical Scooter”,¹⁸ and the Xiaomi M365 scooter was chosen as winner of the T3 Award for Best Electric Scooter in 2020.¹⁹



44. The Opponent, under the mark  is shown to have won best newcomer and uSwitch judges' award at the uSwitch Broadband and Mobile Awards 2019.²⁰


45. I note too a BBC Business News article from March 2021 reporting that Xiaomi is to invest 10 billion dollars over ten years in developing electric vehicles.²¹ The logo  appears in the article.

46. From the evidence, it may be concluded that the Opponent has used its earlier marks its marks in the UK in respect of *smartphones* and given its market share, those marks

12 Exhibit SC9
13 WSSC 23 and 24
14 Exhibits SC13
15 Exhibit SC15, dated March 2019
16 WSSC 19
17 Exhibit SC10
18 Exhibits SC17 and SC24
19 Exhibit SC24
20 Exhibit SC23
21 Exhibit SC34

appear to have the necessary reputation in respect of those goods. It may also have a reputation in respect of *intelligent wearable apparatus; wearable activity trackers*. These are goods among the goods and services specified under those earlier registrations.²² It is also possible that a reputation exists in respect of *routers* under Mark 1 given the uSwitch award recognition. However, across the board there is a notable absence of detail of sales figures and promotional expenditure in respect of the UK market. The social media references in the evidence are of little help in establishing reputation for particular goods or services in the UK. The evidence of reputation is only clear in respect of smartphones, where the market share speaks for itself. What is clear is that the evidence fails to establish reputation in respect of the vast majority of the goods and services on which the opponent relies under its three earlier marks, which range from *Instruments and tools for skinning animals; Harpoons; air purifying apparatus and machines; Punch rings [knuckle dusters]; Table cutlery [knives, forks and spoons]; to retail services for pharmaceutical, veterinary and sanitary preparations and medical supplies; automobiles auctioneering; and rental of sales stands*. Even if the Opponent supplies scooters on a scale sufficient to have achieved a reputation in the UK, I noted no such goods specified under any of the three earlier marks relied on.



47. There is no doubt that the mark , which in my view includes the black and white figurative Marks 1 and 3 is associated with the Opponent. It is also clear that the Opponent has used Mark 2 in respect of smartphones, which are goods for which it has a reputation in the UK. However, none of this assists the Opponent, since the earlier marks are not similar to the Contested Mark and even to the extent that the earlier marks may have a reputation, the Contested Mark **ROIDMI** will not call to mind the earlier marks. This is my finding even taking into account that the level of similarity required for the public to make a mental link between the marks for the purposes of section 5(3) may be lower than the level of similarity required to create a likelihood of confusion.²³ Moreover, the goods for which the Opponent's earlier marks may have a level of reputation in the UK - notably smartphones – are not at all similar to any of the contested goods in Class 7. While similarity of goods/services is expressly not a prerequisite for success under section 5(3), it is a relevant factor in assessing the penumbra

22 See Annexes to this decision.

23 See paragraph 72 of the judgment of the CJEU in *Intra-Press SAS v OHIM*, Joined cases C-581/13P & C-582/13P.

of protection to be extended to a reputed mark and its absence in this case would also have contributed to a rejection of the claim.

THE SECTION 5(4)(A) CLAIM

48. Section 5(4)(a) of the Act states:

“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 or 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,

[...]

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.”

49. 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 ...”

Relevant legal principles

50. Registration of a trade mark may be refused in opposition proceedings if the Opponent is the proprietor of an “earlier right” and can show that use of the contested trade mark is liable to be prevented by the law of passing off. The essential requirements that a claimant must establish to sustain a passing off claim are:²⁴

- (a) a protectable goodwill in the UK owned by the claimant at the relevant date;
- (b) a misrepresentation made by the defendant which is liable to deceive the public; and
- (c) damage to the claimant’s goodwill caused by the misrepresentation.

51. The concept of goodwill has been described as “*the benefit and advantages of the good name, reputation and connection of a business*” and “*the attractive force which brings in custom.*” The same case law commented that “*it is the one thing which distinguishes an*

24 The “classical trinity” per Lord Oliver in *Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341 HL, the “Jif Lemon” case.

*old-established business from a new business at its first start".*²⁵

52. In the present case, I find that the Opponent by the relevant date, in view of its respectable percentage of mobile vendor market share in the United Kingdom, the Opponent enjoyed goodwill associated with the earlier signs in respect of *smartphones*. I note too that the Opponent had an Apple-store-style shop in London that was open before the relevant date from November 2018 – March 2020 and that it sold goods other than smartphones, including power banks and a wireless computer mouse. The goods for which goodwill is claimed under the section 5(4)(a) ground are these:

Computer hardware; computer peripheral equipment; computer software; data processing equipment; computer memory devices; pedometers; apparatus for recording, transmission or reproduction of sound or images; measuring apparatus and instruments; smartphones; mobile phone accessories; GPS apparatus; sound recording devices; headphones; cameras; portable media players; video recording apparatus; video cameras; remote control apparatus; electric wires; battery chargers; smart watches; electronic sensors; security cameras; vehicles; electric vehicles; electric sooters; self-balancing boards; electric sweepers; dust removing machines; vacuum cleaners; electric steam mops; electric machines and apparatus for wax-polishing; electric kitchen machines; air pumps; washing apparatus; electric hand-held tools; washing machines; cleaning machines; electric cleaning machines; hand tools and implements; screwdrivers; safety clothing; remote controls; lamps; lighting apparatus; watering installations; water filtering apparatus; water purifying apparatus; air cleaners; retail services.

53. I find that the evidence is insufficiently particularised in its identification of what goods were sold under what marks, where, when and in what quantities. I find the evidence shows goodwill among consumers in the UK in relation to smartphones, and I do not rule out that its goodwill may extend to goods such as battery chargers and smartwatches. I also find that it may have goodwill in respect of scooters. However, while the Opponent may have goodwill in respect of some of its claimed goods, it still needs to show that use by the Holder would amount to a misrepresentation.

54. Halsbury's Laws of England Vol. 97A (2012 reissue) provides guidance with regard to establishing the likelihood of deception. In paragraph 309, it is noted (with footnotes omitted) that:

"To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

- (1) *that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and*
- (2) *that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.*



While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court 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 plaintiff and the defendant carry on business;*
- (c) *the similarity of the mark, name etc. used by the defendant to that of the plaintiff;*
- (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 confusion or 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."

55. In assessing whether the facts of the present case furnish the elements necessary for a passing off action to succeed, I particularly have in mind the lack of similarity of the parties' respective signs/marks as well as the distance between the goods in respect of which the Opponent may have goodwill. For there to be a misrepresentation, it is necessary for a substantial number of the plaintiff's customers or potential customers to

be deceived for there to be a real effect on the plaintiff's trade or goodwill.²⁶ I find there is no prospect of deception as between the Contested Mark  and the signs  and Mi. There is no risk of misrepresentation. The claim under section 5(4)(a) fails.

THE SECTION 3(6) CLAIM

56. Section 3(6) of the Act states that a trade mark shall not be registered if or to the extent that the application is made in bad faith.

Bad faith case law principles

57. 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 Mağazacılık 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. At paragraph 68 of its judgment, the Court of Appeal's summary of the law gleaned from these CJEU authorities included the following points:

[...]

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 Mağazacılık* 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 Mağazacılık* 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].”

The correct approach to assessing bad faith

58. 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?

Does the Designation constitute an act of bad faith?

59. The statement of grounds claims that the Holder acted in bad faith because it “has filed the Subject Mark in breach of a contractual Capital Withdrawal Agreement between both parties, whereby the Applicant agreed to change their company name and cease designing, producing and selling any products under trade marks containing 'MI'”.
60. The evidence and submissions filed subsequently by the Opponent refer to an Equity Transfer Agreement dated 20 April 2019, which is reproduced in the Opponent's Exhibit SC5. That Agreement is shown in Chinese and in translation to English. WSRB and Exhibit RB1 confirms that the translation is accurate. It is apparent that this document is what was described in the statement of grounds as the “Capital Withdrawal Agreement”.
61. The parties to the Agreement are defined as follows:

Party A: Tianjin Jinmi Investment Partnership (Limited Partnership), based in China and which is described in the Agreement as the Authorised Representative of Executive Partner: LIU De. Party A is stated in the Agreement as being a shareholder of Party C (the Holder) – though the information is redacted as to how much of the registered capital of Party C is accounted for by Party A's shareholding. The purpose of the Agreement is to transfer to Party B a [redacted] percentage of Party A's equity in Party C.

Party B: WANG Zhiqiang, based in Wuxi City in China;

Party C: Roidmi Information Technology Co., LTD (also referred to in the Agreement as “**the Company**”.) Party C is of course also the Holder in the present proceedings, and described in the Agreement as a limited liability company established in accordance with the Company Law of the People’s Republic of China.

62. Determining whether the Holder’s conduct in applying for the Designation may be considered an act of bad faith involves close consideration of the wording of the Agreement and the parties’ opposing submissions on its implications. In this regard I note the conclusion of the Report on Review of Scottish Contract Law published by the Scottish Law Commission in 2018, that “*Arnold v Britton now appears to be the leading authority on contractual interpretation north and south of the border.*”²⁷ This means that: “*While the words used by the parties in their contract are of high importance in determining their intention, it remains legitimate always to consider the factual context known to all the parties to determine what they meant by their chosen words. It is clear that reference may still be made to business common sense, but not to rewrite the contract with the benefit of hindsight even if it seems to entail a harsh result for a party.*”
63. The premises of the Opponent’s claim of bad faith may be summarised as follows:²⁸
- i. Party A to the Agreement is the investment arm of the Opponent
 - ii. The Holder was a company that received investment from the Opponent;
 - iii. The Holder is part of the “Xiaomi Ecosystem”;
 - iv. The Holder entered into the Equity Transfer Agreement in 2019;
 - v. Through the Agreement, the Holder assumed certain obligations relating to future trade mark activity.
64. The Holder’s position in response to the above underpinning claims may be summarised as follows:
- i. That any obligations it may have under this Equity Transfer Agreement do not extend to the Opponent, Xiaomi Inc;

27 *Arnold v Britton* [2015] UKSC 36 – Supreme Court judgment.

28 As set out at [7-13] of WSSC

- ii. That registration of the mark ROIDMI in the United Kingdom is anyway not contrary to any obligations the Holder may have under the Equity Transfer Agreement;²⁹
 - iii. That the Agreement is poorly drafted and its definition of “MI related marks” is “obscure”;
 - iv. That the Contested Mark does not anyway fall in scope of the definition of “MI related marks” (given the absence of the definition’s stipulations of similarity / identical);
 - v. That the content of Annex I of the Agreement supports the Holder’s position that the Agreement did not intend to exclude use of the Contested Mark;
 - vi. That the Agreement contains no provisions about the Holder’s freedom to register ROIDMI as a trade mark;
 - vii. That Article 10 states that the Agreement is governed by the laws of the People’s Republic of China, and that it is therefore not for the UK trade mark registry to determine whether the Holder’s action is dishonest.
65. The Opponent’s submissions in lieu addressed the Holder’s points. I deal with the contested points below.

Can the Opponent rely on the Agreement?

66. The Opponent is not a named party to the Agreement. However, the Opponent gives evidence about the relationship between the Opponent and Party A to the Agreement (Tianjin).
- i. Paragraph 7 of WSSC states that the Holder (Party C to the Agreement) “was previously a “Xiaomi ecosystem” system company”, which is a company which has been supported by Xiaomi, through investment and other means.”
 - ii. Paragraph 9 of WSSC states that Tianjin Jinmi Investment Partnership (Limited Partnership) – Party A – is the investment arm of Xiaomi.
 - iii. Exhibit SC3 is an extract from the 2018 annual report of the Xiaomi corporation. It includes a list of companies that is described as “significant related parties of the Group

²⁹ The submissions in lieu actually read “is contrary to any obligations”, but in the context of the consistent lines of denial elsewhere put forward by the Holder, I consider it reasonable to conclude that the word “not” was inadvertently omitted.

that had transactions and/or balances with the Group during the year.” One of those companies identified as an “Associate of the Group” is named as Wuxi Roidmi Co., Ltd. It is not clear how that named company relates to the Holder in this case, despite the shared Roidmi element of their names.






- iv. Exhibit SC4 is an extract from the Singapore website of ROIDMI.sg. It states that ROIDMI was founded in 2015 and has become the leader of the cordless vacuum cleaner industry in China. It refers to itself as “a company of the Xiaomi ecosystem” and states that it was invested in by Xiaomi Technology, Shunwei and Haiquan Fund.
- v. The submissions in lieu argue that the Holder cannot have failed to be aware that the Opponent and its various companies had an interest in and would have expected to receive the benefit of the Equity Transfer Agreement and its terms.
- vi. Article 4(2) is the part of the Agreement that includes the definition (or at least description) of “MI related marks”. Article 4(2) also extends Party A’s obligations to “related parties” and “affiliates” of Party A (Tianjin). The Opponent submits that the Holder does not deny and cannot possibly have been unaware that the Opponent falls within these categories. I agree, and I note too that the Holder has not challenged any of the evidential points summarised in this paragraph 66 (i) – (vi).

67. A claim under section 3(6) is an absolute ground, not a relative ground, and I accept that it is open to the Opponent in this case to bring a claim of bad faith in performance of a contract even though it is not a named party. The Opponent can rely on the terms of the Agreement to establish bad faith; it is therefore necessary to consider the implications of the relevant terms.

What are “MI related marks”?

68. I have cut and pasted below relevant parts of the Agreement as translated, partly because they include some words in Chinese characters and partly because of the Holder’s criticisms that the Agreement is “poorly drafted” and the definition of what is meant by “MI related marks” is “obscure”. Article 4 deals with the parties’ obligations once Party A (Tianjin) has transferred its stipulated equity in Party C (the Holder) to Party B (WANG

Zhiqiang).³⁰ Article 4(2) reads as follows:

2. Party B and Party C shall change the name of the company. The changed name shall not contain any signs that are identical or similar to Party A, its directors and senior executives or any related parties. Such signs includes but are not limited to the name, packaging, decoration, product shape (including overall image and specific elements), trademark, name of enterprise or enterprise group and its abbreviation, tradename, main part of domain name, name of the website, webpage, name, pen name, stage name, sub brand logo, video program name and other marks that can be used to identify Party A or any of its affiliates, or other marks that contain, associate, or mean any element of the above marks, combinations or variations of each mark, regardless of whether they actually cause any confusion or whether Party B and Party C have any fault. A non-exclusive list of the above marks (collectively referred to as "MI related marks") are set out as the following: "雷军", "小米", "小米商城", "小米网", "红米", "米兔", "米", "米家", "米柚", "MI", "mi", "Xiaomi", "MIUI", "MIJIA", "小米生态链", the affiliated logos and patterns of the above brands (including but not limited to , , , , ), and any other marks that are similar to the abovementioned marks in fonts, sounds or meanings. For example, any of the aforesaid elements in capital or lower case, in traditional or simplified characters, in the form of sounds or graphics, in two-dimensional or three-dimensional form, in full name or simplified form, of rewriting or abbreviation.


69. From the above, I find the following points (as I understand them) may be extracted:

- i. The Holder (Party C) agreed to change the name of the company – which is the Holder's own name, i.e. "Roidmi Information Technology Co., LTD".
- ii. The choice of whatever the name the Company is changed to is constrained by the following factors (my underlining):
 - a. the Company name must not contain any signs that are identical or similar to Party A – i.e. "Tianjin Jinmi Investment Partnership (Limited Partnership)" (or to its directors and senior executives or any related parties);
 - b. the excluded "signs" (that are not to feature in the changed name of the Company) are then said to include (but to not be limited to):
 - (i) "marks" (such as a trade mark, sub-brand logo, trade name or website name) that can be used to identify Party A (Tianjin) or any of its affiliates (which I accept includes Xiaomi Inc); and
 - (ii) marks that contain, associate, or mean any element of the "marks" in my

30 I noted no explicit explanation in the evidence of who Party B is, but it appears that he is a personal exercising relevant executive authority in actioning commitments made in the Agreement by Party C.

preceding sub-paragraph,³¹ or combinations or variations of each mark, regardless of whether they give rise to confusion, and whether or not the Holder is at fault.

iii. The Article then gives a non-exclusive list of signs / marks that fall foul of the stipulations at my paragraph 70(ii)(b)(i) and 70(ii)(b)(ii)– i.e. those that are not to feature in the changed name of the Company. It is this non-exclusive list that the Agreement refers to as “**MI related marks**”.

iv. This list of MI related marks includes “MI”, “Mi”, “Xiaomi” and “the affiliated logos” of the listed brands, including (but not limited to) this  which resembles the Opponent’s Marks 1 and 3. The list of MI related marks also excludes from featuring in the changed name of the Company “any other marks that are similar to abovementioned marks in fonts, sounds or meanings.”

70. Article 4(3) states:

3. Party B and Party C agree that within one (1) year upon the execution of this Agreement, unless Party A consents in writing, Party B and Party C/or any of their associated parties shall not design, manufacture, operate, sell, or authorized any third parties to sell any products that contain MI related marks.

71. The above provision therefore puts an obligation on the Holder (absent written consent from Party A) to refrain from designing, manufacturing, selling/authorising third parties to sell any products that contain MI related marks. Whether the Contested Mark falls within the scope of what the definition of MI related marks is clearly a central issue.

72. Article 7(3) states that “Party B and Party C make the following representations and warranties to Party A:

3. Except the company name of Party C and the products listed in Annex I, Party B, Party C and/or its affiliates, as well as signs of any product that is designed, produced, operated, sold, entrusted to a third party for sale or representation by the aforementioned subjects do not contain MI related marks. The aforesaid signs include the logos, names, packaging, decoration, shapes of the products (including the whole image and specific elements), trademarks, tradenames, main part of the domain name, name of the website, webpage, sub brand logo, names of video programmes.

73. Annex I, which is referenced in the opening line of Article 7(3), reads as follows:

31 Paragraph 70(ii)(b)(i) of this decision.

Annex I: [Xiaomi Note: Please complete the list of the existing names of the products that contain MI related marks]

1. Mijia vehicle air purifier and its accessories
2. Roidmi wireless vacuum cleaner F8 and its accessories
3. Roidmi wireless vacuum cleaner F8E and its accessories
4. Roidmi wireless acarid remover M8 and its accessories
5. Roidmi wireless vacuum cleaner NEX and its accessories
6. Roidmi car purifier
7. Roidmi Bluetooth vehicle Mobile Charger
8. Roidmi Car Vacuum Cleaner
9. Roidmi vehicle Mobile Charger
10. Roidmi car pillow
11. Roidmi vehicle based ONE-DRAG-TWO device
12. Roidmi charcoal bag

74. From the wording of Article 7(3), the Holder appears to give its assurance that the name of Party B (WANG Zhiqiang) nor the name of any affiliates of Party C, nor any products they design or sell, contain MI related marks. The Holder seems to acknowledge that what do contain MI related marks are: (i) its own company name – ROIDMI Information Technology Co., LTD and (ii) the names of the products listed in Annex I – which are almost entirely goods identified by the name “Roidmi”.

75. It is self-evident that the Contested Mark as such is not mentioned in the list of MI related marks. It is also clear that the Agreement recognises that the Holder uses the trade mark ROIDMI, as is explicit in the list of products at Annex I of the Agreement. In view of these facts, the Holder submits that if Party A did not want the mark ROIDMI to be used then it would have been specifically mentioned in Article 4(2) as being one of the MI related marks. Moreover, the holder submits that the mark ROIDMI is not a sign that is identical or similar to Party A, its directors and senior executives or any related parties. I consider these to be reasonable submissions by the Holder. I have already given my findings that there is no similarity between the Contested Mark and the Opponent’s earlier Marks 1/3



Nor do I find that the Contested Mark is similar to the name of Party A, nor to any of the signs, including Xiaomi, that are expressly included in the list of MI related marks. It may also be considered a little surprising that the word ROIDMI was not expressly mentioned in the list of MI related marks in Article 4(2).

76. The Opponent submits that the question of identity or similarity is here not to be considered in the sense of trade mark law, but in the context of the Agreement. Article 4(2) spreads the net of MI related marks to include any trade mark that can be used to identify the Opponent (as an accepted affiliate of Party A), or marks that contain “mi” regardless of whether they actually cause confusion, and regardless of whether the Holder is at fault.
77. Article 4(2) of the Agreement expressly states that the name of the Holder must be changed, and I accept the Opponent’s submission that it is therefore clear that the sign ROIDMI was in the parties’ contemplation as being within the category of marks excluded by Articles 4(2) and 4(3); indeed I accept the Opponent’s submission that if ROIDMI was not intended to be covered, then the first sentence of Article 4(2) would make little sense. Annex I is a list of the ROIDMI products in use at the time of the Agreement. The heading of Annex I is followed by a square-bracketed request to list therein the existing names of the products that contain MI related marks. It is not a permissive annex; it lists the current products – such as vacuum cleaners - to which the exclusions are thereafter to apply.
78. Despite the parties’ marks not being similar, and despite the absence of the mark ROIDMI from the “non-exclusive” list of MI related marks, I nonetheless conclude that within the context of the Agreement, the intention of the parties was that ROIDMI should be regarded as included within the scope of MI related marks.

The Agreement is silent on freedom to register

79. The Holder submits that Agreement does not contain any provisions about its freedom to register the Contested Mark. The Opponent submits that this is an argument based in sophistry. I agree. While the Agreement does not specifically prohibit registration of a trade mark that is an MI related mark, Article 4(3) of the Agreement sought to prevent use of MI related marks (which I have includes the ROIDMI) by way of designing, manufacturing, operating, selling or authorising any third parties to sell any products that contain MI related marks. There is no geographical limitation on the reach of that prohibition. I accept that it follows that an application in the UK asserting an intention to use the contested mark must have been in breach of the Agreement. While freedom to register is not expressly mentioned, taking Articles 4(2) and 4(3) in the context of the Agreement as a whole, I accept that the Parties sought to exclude the Holder from impinging on rights in the MI marks. I accept that it is an implied term of the Agreement,

necessary to give it business efficacy, that Parties B and C are restrained from seeking to register MI marks, including ROIDMI.

Jurisdiction of the IPO to determine the claim of bad faith

80. Since Article 10 states that the Agreement is governed by the laws of the People's Republic of China, the Holder submitted that it is therefore not for the UK trade mark registry to determine whether the Holder's action is dishonest. The Opponent submits that all UK courts and tribunals have inherent jurisdiction to determine issues of foreign law. I note that the Holder has provided no evidence or submissions as to whether or how there may be a difference between Chinese law and UK law in the construction of the terms of the Agreement. I therefore consider it proper and legitimate that this Tribunal may determine the matter by reference to the established principles of domestic law.

Was the filing of the Designation an act of bad faith?

81. There is an Agreement, on which the Opponent is able to rely, and which prohibits the Holder from using MI related marks, which I have found include the Contested Mark. The Holder was aware of the Opponent's interest and of the restrictions on the excluded MI-marks. While the Agreement might have expressed the bar to use of the ROIDMI mark in more a direct way, it will have been perfectly clear to the Holder from Article 4(2) that a principal concern was that the Company Name should be changed. I note that the Holder apparently continues to bear that name, the only distinctive aspect of which is the word 'ROIDMI'. I therefore conclude that not only does the Agreement in fact intend to restrict the Holder from using the mark ROIDMI, but also that the Holder would have known that. I therefore find that the Holder set out to breach the Agreement to the Opponent's disadvantage. This gives rise to a presumption of bad faith, and to rebut it, it is for the Holder to provide a plausible justification or explanation. It has not done so. It follows that the application was filed in bad faith and must be refused in its entirety.
82. I do not overlook that the Holder had been using the Contested Mark, which has no conflict under relative grounds with the marks of the Opponent and has achieved recognition under the name ROIDMI for its production of cordless vacuum cleaners.³² Nor do I consider it likely that the Contested Designation would distort competition or give

32 Exhibit SC4 states that ROIDMI has sold to over 60 overseas countries, including UK and Europe, though no detail is given. It refers to various awards that it has won including the 2018 Asia DFA design award for the ROIDMI cordless vacuum cleaner F8.

rise to any possibility of confusion, since the UK consumer would readily be able to distinguish the designated goods from others which have a different origin. However, even if the Agreement may be considered disadvantageous from the perspective of the Holder, who is effectively debarred from trading by reference to the name on which it had built its business, it is a contract into which it entered knowingly, and a breach of an important term of the Agreement is sufficient to sustain the Opponent's claim of bad faith under section 3(6) of the Act.

83. **Outcome:** The Holder's application to designate for protection in the UK IR No. WO0000001622066 is refused.

COSTS

84. The opposition has succeeded and the Opponent is entitled to a contribution towards its costs in these proceedings, in line with the scale set out in Tribunal Practice Notice 2/2016. In my view, the claims under sections 5(2)(b), 5(3) and 5(4)(a) of the Act were obviously bound to fail, and yet the Holder was obliged to consider the extensive evidence of use and to make submissions in response those three grounds. Much of the evidence filed was not relevant to the bad faith claim that is the only ground on which the Opponent has succeeded. The costs awarded reflect these considerations. I award the sum of **£1200**, which is calculated as follows:

Preparing a statement and considering the other side's statement: **£150**

Preparing evidence and consider the other side's submissions: **£500**

Preparation of submissions in lieu of a hearing: **£350**

Form TM7 official fee: **£200**

85. I order Roidmi Information Technology Co., Ltd. and to pay Xiaomi Inc the sum of £1200. The above sum should be paid within 21 days of the expiry of the appeal period or within 21 days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 24th day of October 2023

Matthew Williams

For the Registrar

Annex 1

Mark 1: (UK Registration No. 917601667)

Class 9: Notebook computers; pedometers; apparatus to check franking; cash registers; ticket dispensers; dictating machines; holograms; hemline markers; voting machines; Lottery Machine; Electronic recognition apparatus for animals; face recognition apparatus; punched card machines for offices; dressmakers' measures; electronic notice boards; mobile telephones; electronic book readers; projection screens; measuring instruments; air analysis apparatus; speed checking apparatus for vehicles; connected bracelets [measuring instruments]; audiovisual teaching apparatus; inductors [electricity]; simulators for the steering and control of vehicles; mirrors [optics]; materials for electricity mains [wires, cables]; galena crystals [detectors]; printed circuit boards; variometers; electrical adapters; video screens; remote control apparatus; optical fibers [light conducting filaments]; heat regulating apparatus; lightning conductors [rods]; electrolyzers; fire extinguishing apparatus; radiological apparatus for industrial purposes; protective helmets; theft prevention installations, electric; spectacles; mobile power pack (built-in battery); animated cartoons; portable remote car arrester; Downloadable software in the nature of a mobile application; humanoid robots with artificial intelligence; tablet computers; interactive touch screen terminals; smartwatch (data-processing); smart glasses (data-processing); computer peripheral devices; protective films adapted for smartphones; cases for smartphones; wearable activity trackers; virtual reality headsets; camcorders; headphones; cabinets for loudspeakers; biochips; sockets, plugs and other contacts [electric connections]; protective masks; batteries, electric; chargers for electric batteries; scales with body mass analysers; decorative magnets; electrified fences; electronic collars to train animals; stickers on refrigerator, magnetic; encoded identification bracelets, magnetic; Routers; television apparatus; drive recorder; cameras [photography]; selfie sticks [hand-held monopods]; 3D spectacles; Smart card readers; LED screens; scales; plugs; speakers; Cases for mobile phones; in-ear earphones; screens for mobile telephones and television apparatus; wireless communication devices; VR glasses; Intelligent wearable apparatus; smartphones; adapters; power banks; humanoid robots with artificial intelligence, in particular for babies purpose, and controlled by electronic devices; tablet computers used for children education; two way radios; remote control apparatus for intelligent household appliances; remote controls;

amplifiers for signal; charging equipments for vehicle; testing and quality control devices, namely for testing quality of air indoors.

Class 35: Presentation of goods on communication media, for retail purposes; commercial intermediation services; provision of an on-line marketplace for buyers and sellers of goods and services; personnel recruitment; relocation services for businesses; systemization of information into computer databases; book-keeping; rental of vending machines; sponsorship search; retail or wholesale services for pharmaceutical, veterinary and sanitary preparations and medical supplies; rental of sales stands; data search in computer files for others; marketing; arrangement and organization of market promotion for others; television advertising; advertising; negotiation and conclusion of commercial transactions for third parties; providing business information via a web site; Provision of space on websites for advertising goods and services.

Class 42: technical research; quality testing; surveying; chemical research; biological research; meteorological information; material testing; industrial design; design of interior décor; dress designing; electronic data storage; conversion of data or documents from physical to electronic media; updating of computer software; computer programming; providing search engines for the internet; cloud computing; providing information on computer technology and programming via a web site; software as a service [SaaS]; computer software design; off-site data backup; authenticating works of art; handwriting analysis [graphology]; cloud seeding; art design for graphic; weighing goods for other person; cartography services.

Annex 2

Mark 2 (International Registration WO0000001462437)

Class 9: Notebook computers; pedometers; apparatus to check franking; cash registers; mechanisms for coin-operated apparatus; dictating machines; holograms; hemline markers; voting machines; lottery machines; face recognition equipment; photocopying machines; bathroom scales; dressmakers' measures; flashing lights [luminous signals]; smartphones; dashboard camera; cameras [photography]; measuring instruments; air analysis apparatus; speed checking apparatus for vehicles; connected bracelets [measuring instruments]; audiovisual teaching apparatus; inductors [electricity];

simulators for the steering and control of vehicles; mirrors [optics]; materials for electricity mains [wires, cables]; wafers for integrated circuits; chips [integrated circuits]; rheostats; electrical adapters; video screens; electronic key fobs being remote control apparatus; optical fibers [fibres] [light conducting filaments]; electric installations for the remote control of industrial operations; 3D spectacles; mobile power (rechargeable battery); transparencies [photography]; lightning conductors [rods]; ionization apparatus not for the treatment of air or water; fire extinguishing apparatus; radiology screens for industrial purposes; respirators for filtering air; alarms; portable remote control car stop; mobile software applications, downloadable; humanoid robots with artificial intelligence; tablet computers; interactive touch screen terminals; smart watches (data processing); smart glasses (data processing); computer peripheral devices; protective films adapted for smartphones; egg-candlers; dog whistles; decorative magnets; electrified fences; cases for smartphones; wearable activity trackers; virtual reality headsets; camcorders; electronic collars to train animals; sports whistle; headphones; cabinets for loudspeakers; biochips; sockets, plugs and other contacts [electric connections]; protective masks; wearable computer; computer software platform, recorded or downloadable; earphones; remote control apparatus; amplifiers; electronically encoded identity wristbands; thin client computers; electronic pocket translators; computer screen saver software, recorded or downloadable; downloadable graphics for mobile phones; personal digital assistants [PDAs]; telecommunication apparatus in the form of jewellery; selfie sticks for cellphones; satellite finder meters; television apparatus; selfie lenses; teaching robots; electric wire harnesses for automobiles; anti-dazzle shades; batteries, electric; security surveillance robots; encoded identification bracelets, magnetic; wireless router; flash-bulbs [photography]; selfie sticks [hand-held monopods]; LCD projectors; video projectors; on-board tape players; portable media players; sensors; switches, electric; radios; charging device for motor vehicles; wrist-worn smart phone; car phone brackets; GPS receiver; computer keyboards; wireless mouse for computer; sunglasses; biologic fingerprint lock; rechargeable battery; chargers for electric batteries.

Class 11: Lamps; lights for vehicles; germicidal lamps for purifying air; curling lamps; acetylene flares; cooking apparatus and installations; lava rocks for use in barbecue grills; refrigerators; air purifying apparatus and machines; hair driers [dryers]; water heaters; stage fog machine; heating installations; watering installations, automatic; solar heaters for baths; filters for drinking water; radiators, electric; lighters; polymerisation installations;

air cleaner; household air cleaner; portable electric fans; fans [air-conditioning]; household electric fans; LED lamps; air conditioners; air filters for air conditioning; portable headlight; household electric water purifier; water filtering apparatus; reading lamps; desk lamps; electric cooker; coffee percolators, electric; kettles, electric; household faucet filters; water purifying apparatus; household humidifier; coffee machines, electric; multicookers; ceiling lights; bathroom warmers; household electric kettle; bread toasters; microwave ovens [cooking apparatus].

Class 35: Presentation of goods on communication media, for retail purposes; commercial intermediation services; provision of an on-line marketplace for buyers and sellers of goods and services; personnel management consultancy; relocation services for businesses; compilation of information into computer databases; accounting; rental of vending machines; sponsorship search; rental of sales stands; retail services for pharmaceutical, veterinary and sanitary preparations and medical supplies; wholesale services for pharmaceutical, veterinary and sanitary preparations and medical supplies; promoting goods and services via sports events sponsorship; displaying goods and services via electronic means for teleshopping and online shopping; provision of space on websites for advertising goods and services; promoting serial movies for others; conducting market research by using computer data base; negotiation and conclusion of commercial transactions for third parties; providing business information services via internet; market information services; arranging and organizing market promotions for others; automobiles auctioneering; targeted marketing; marketing in the framework of software publishing; import-export agency services.

Annex 3

Mark 3 (UK registration 918106851)

Class 8: Hand tools and implements (hand-operated); cutlery; razors; cutting tools; abrading instruments [hand instruments]; Agricultural implements, hand-operated; Garden tools, hand-operated; Instruments and tools for skinning animals; Harpoons; Beard clippers; Nail clippers; Electric hair clippers; Screwdrivers, non-electric; Borers; Tweezers; Scissors; Punch rings [knuckle dusters]; Table cutlery [knives, forks and spoons]; Handles for hand-operated hand tools.

Class 24: Textiles and substitutes for textiles; cloth; Fabric; Gummed cloth, other than for stationery purposes; Wall hangings of textile; Felt; Towels of textile; Household linen; Tablecloths, not of paper; Door curtains; Fitted toilet lid covers of fabric; Marabouts [cloth]; Flags of textile or plastic; Shrouds.
