

O/0814/24

CONSOLIDATED PROCEEDINGS

TRADE MARKS ACT 1994

**IN THE MATTER OF APPLICATION NO. 3763518
IN THE NAME OF CHUNDAN LIAO FOR THE MARK**

MOSOTECH

**IN CLASSES 9 AND 25
AND THE OPPOSITION THERETO UNDER NO. 432459 BY CHEN FUPING**

**AND IN THE MATTER OF REGISTRATION NO. 3760779
IN THE NAME OF CHEN FUPING FOR THE MARK**

MOSOTECH

**IN CLASSES 9 AND 25
AND THE APPLICATION FOR A DECLARATION OF INVALIDITY THEREOF
UNDER NO. 505512 BY CHUNDAN LIAO**

Background and pleadings

1. On 9 March 2022, Chundan Liao applied for the trade mark MOSOTECH (number 3763518) for the following goods in classes 9 and 25:

Class 9: Microphones; junction sleeves for electric cables; sheaths for electric cables; Cable covers [conduits]; Cable ducts (Electric -); Tablet holders adapted for use in cars; Hands-free holders for cell phones; Stands adapted for mobile phones; USB cables for cellphones; Wireless headsets; cases for smartphones; Digital photo frames; smart watches; Tape players; Computer peripheral apparatus; Camera flashes; Selfie sticks.

Class 25: Ties; Skirts; Underwear; Scarfs; Turbans; Shoes; Sweaters; Shirts; Belts for clothing; Vests; Socks and stockings; Panty hose; Hosiery; Hats; Jeans; Swimwear.

2. Following publication, the application was opposed by Chen Fuping under section 5(1) of the Trade Marks Act 1994 ("the Act"), based upon the following earlier mark:

3760779

MOSOTECH

Filing date: 2 March 2022; registration date: 28 October 2022

Class 9: Hands-free holders for cell phones; Stands adapted for mobile phones; Tachographs; Wireless headsets; Music headphones; Adapter cables for headphones; Adapter plugs; , electric; cable connectors; Cable covers [conduits]; Cable ducts (Electric -); USB cables for cellphones; TV antennas; Touch switches; Tape players; Sunglass temples; Sports glasses; Solid state drives; Safety headgear; goggles; Photo printers; Personal stereos; Notebook PCs; Tablet computers; Computer peripheral apparatus; Mouse [computer peripheral]; Phone cases; Digital photo frames; Digital book readers; Camera flashes; Selfie sticks.

Class 25: Tops [clothing]; for infants and toddlers; One-piece clothing for infants and toddlers; One-piece suits; One-piece playsuits; Infant clothing; Slipovers; Underwear; Hats; Aprons; Socks; Yoga pants; Cummerbunds; Wedding gowns; Insoles; Bikinis; Gym suits; Swimsuits; Balaclavas; Rainwear; Footwear; Footwear [excluding orthopedic footwear]; Athletic footwear; Waterproof capes; Shoes for casual wear; Women's shoes; Sports shoes; Gloves; Cyclists' clothing; Disposable underwear; Down jackets; Long sleeve pullovers; Bras; Slippers; Masquerade and halloween costumes; Masks (Sleep -); Costumes (Masquerade -); Masquerade costumes; Yoga shirts; Yoga socks; Bathrobes; Ski wear; Wind-jackets; Mufflers as neck scarves; Sports jerseys.

3. Section 5(1) of the Act states:

“A trade mark shall not be registered if it is identical with an earlier trade mark and the goods or services for which the trade mark is applied for are identical with the goods or services for which the earlier trade mark is protected.”

4. Mr Liao filed a defence and counterstatement on 17 May 2022, stating that he “partially admits that the two marks are similar”, but denying that Mr Fuping owns an earlier right. Mr Liao states that his mark has been used in the UK for years and that he has the earlier right. On 31 October 2022, Mr Liao filed an application for a declaration that Mr Fuping’s registration, 3760779, is invalid. The grounds for the invalidity application as pleaded in the statutory form TM26(l) are sections 5(4)(a) and 3(6) of the Act. Section 5(4)(a) states:

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

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

(aa) [...]

(b) [...]

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

5. Subsection (4A) of Section 5 states:

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

6. Section 5A states:

“Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only.”¹

7. Section 3(6) states:

“A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

8. Under Section 5(4)(a), in the statutory application form for a declaration of invalidity, Mr Liao claims that he owns goodwill in relation to MOSOTECH which has been used in the UK since 20 April 2020 for *Air pillows; Air pillows, not for medical purposes; Bedroom furniture; Beds, bedding, mattresses, pillows and cushions; Bolsters; Head supporting pillows; Inflatable neck support cushions; Inflatable pillows; Inflatable pillows [other than for medical use] for fitting around the neck; Latex pillows; Memory foam pillows; Neck pillows; Neck pillows [other than for medical or surgical use]; Neck rolls [other than for medical or surgical use]; Neck support cushions; Neck-supporting pillows; Neckrolls other than for medical or surgical use; Nursing pillows; Pillowforms; Pillows; Scented pillows; Stuffed pillows; Travel pillows; U-shaped pillows; Water*

¹ This section also applies to the section 5(1) ground raised in Mr Fuping's opposition.

pillows, other than for medical purposes. In his statement of grounds, Mr Liao claims that the use of the contested mark will cause consumers to be deceived into believing that there is an economic connection between the parties, leading to damage.

9. Under section 3(6) of the Act, Mr Liao claims (as set out in the statement of grounds):

“16. In *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* (1999) RPC 367, Lindsay J stated at page 379 that *“I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.”*”

17. The Opponent therefore submits that there was a dishonest intention on the part of the Applicant at the time of filing as the Applicant is not currently using the trade mark (or allowing someone else to use it with their consent) or have a bona fide (good faith) intention to use it in relation to the goods requested.”

10. Section 5(4)(a) and Section 3(6) are the only two grounds of invalidation pleaded in the statutory application form TM26(I): only these boxes were ticked on the form and the relevant parts of the form filled in. The statement of grounds which was attached to the statutory form expands upon the pleadings referred to in paragraphs 8 and 9 of this decision. The remainder of the statement of grounds is confused. It begins with an analysis of the specifications of the opposed mark and the mark which is the subject of invalidation under the heading “Likelihood of confusion”, and goes on to discuss unfair advantage and detriment to the distinctive character and repute of “the earlier mark” (which is identified as the opposed mark). This is the language of sections 5(2) and 5(3) of the Act which are not relevant to the invalidation application. I will say no more about this aspect of the pleadings, which are confined to what has been written on the statutory application, the form TM26(I), for sections 5(4)(a) and 3(6) and the parts of the statement of grounds which deal with the pleadings under sections 5(4)(a) and 3(6).

11. Mr Fuping filed a defence and counterstatement to the invalidation application on 10 January 2023. Again, the counterstatement is confused. It refers to Mr Fuping's mark (3760779) having been filed earlier than Mr Liao's opposed mark (3763518) and quotes section 5(1) of the Act. That is not relevant to the grounds in the invalidation case, which is on the basis of section 3(6) (which can be brought by anyone) and 5(4)(a) (which relates to an unregistered sign in which it is claimed that there is goodwill). There is the barest of denials at the end of the counterstatement "The Opponents [Mr Liao] failed to prove, or at least convincingly argue, that the registration of the Applicant's [Mr Fuping) mark violates their rights." There appears to be a claim in the counterstatement to be the senior user of the contested mark. In relation to section 3(6), the denial is clearer:

"The Opponents [Mr Liao] also claim their arguments on "bad faith". However they don't provide any further evidence or arguments to base their claim. In order succeed in the claim of bad faith, the true right holder (in this case the Opponent) had to submit sufficient evidence to prove that the Applicant [Mr Fuping] was acting in malice or negligence when applying for the trade mark MOSOTECH. In this case the Opponent didn't provide any further evidence and therefore their bad faith argument is baseless."

12. The two sets of proceedings were consolidated at the point of Mr Fuping's defence being filed. Both parties filed evidence. Mr Liao is represented by Gloria Qsing and Mr Fuping is represented by Marinos Cleanthous. Neither party requested a hearing nor filed written submissions in lieu of a hearing. In making this decision, I have borne in mind all the papers that have been filed. I will refer to them as far as they are necessary and relevant to the issues in these proceedings.

Evidence

13. Mr Liao filed evidence in the opposition and again in the invalidation action.² He also filed evidence in reply to Mr Fuping's evidence.³ Mr Fuping filed one set of evidence, which was for the invalidation action.⁴

14. I will begin with Mr Liao's invalidation action against Mr Fuping's trade mark registration because the outcome of that will affect whether and to what extent Mr Fuping's registration may be relied upon in his opposition against Mr Liao's trade mark application.

Section 5(4)(a) of the Act

15. I have set out the legislation at paragraph 4 above. The three elements which Mr Liao must show are well known. 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

² Statement of use form, witness statement and exhibits dated 21 November 2022; and witness statement and exhibits dated 12 June 2023.

³ Witness statement and exhibits dated 27 September 2023.

⁴ Witness statement and exhibit dated 17 July 2023.

Interflora Inc v Marks and Spencer Plc [2012] EWCA Civ 1501, [2013] FSR 21).”

16. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223:

“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.”

17. Mr Liao's statement of use form states that he has used his sign MOSOTECH in relation to the goods in classes 9 and 25 which appear in the specifications of his trade mark application.⁵ These are not the goods in which he claims goodwill in his invalidation application. The same issue arises in Mr Liao's witness statement dated 12 June 2023, filed to support his invalidation application. He refers to his business as selling cable sleeves and other products which were available on amazon.co.uk (Exhibits 1 and 2). Turnover for 2021 was £300,000 (30,613 units). Similar results were achieved in 2022 (the relevant date is 2 March 2022). Exhibit 1 shows a cable management sleeve or tube which the Amazon entry says was first available for sale in 31 August 2018. There are no UK reviews (there are a couple of reviews from US customers), but the pricing is shown in pounds sterling. Exhibit 2 shows a MOSOTECH mobile phone holder, ice cube trays, hair scrunchies and adhesive tape but the print (from Amazon) is dated 29 June 2022, after the relevant date. None of these goods are relied upon in Mr Liao's section 5(4)(a) pleadings in the form TM26(I). The evidence does not support the pleaded section 5(4)(a) ground.

18. Exhibit 5 comprises prints relating to Mr Liao's applications for the trade mark MOSOTECH in Germany, the US and as a European trade mark (“EUTM”). With respect to the German and US applications, they are irrelevant. Trade mark protection

⁵ Question 1 of the statement of use form.

is territorial and jurisdictional: other national rights have no bearing on these proceedings. In his witness statement, Mr Liao says this about the EUTM:

“--020.6.8 MOSOTECH was filed in EUIPO with No. 018250475. And registered on the date of 2022.6.30. (When application filed, UK is still a member of EU. But this mark was opposed during publication period. When it registered, UK left from EU.)”

19. Notwithstanding the fact that no section 5(1), 5(2) or 5(3) ground has been pleaded on the basis of this EUTM, it could not have been relied upon in any event. At 11pm on 31 December 2020, the UK left the EU after the expiry of the transition period. Under Article 54 of the Withdrawal Agreement, the Registry created comparable UK trade marks for all right holders with an existing registered EUTM. Comparable UK marks are now recorded on the UK trade mark register, have the same legal status as if they had been applied for and registered under UK law, and retain their original filing dates. EUTMs which were still pending at 11pm on 31 December 2020, as Mr Liao's was, it being opposed, were not automatically granted protection on the UK register. If the proprietor of a pending EUTM wished for it to become a mark on the UK trade mark register which retained the EU filing date, the proprietor had to re-file the mark in the UK within nine months (after 11pm on 31 December 2020). It seems that Mr Liao did not do this because the mark derived from the EUTM registration is not showing on the UK register. This means that Mr Liao would not have been able to rely upon it as an earlier right in these invalidation proceedings.⁶ Fundamentally, as I have said, the only pleaded grounds in this invalidation application are sections 5(4)(a) and 3(6). Earlier trade mark registrations are irrelevant.

20. Mr Liao refers to his oppositions against Mr Fuping's mark when it was published for opposition purposes. I have looked at the official file for Mr Fuping's mark to see what the history is of Mr Liao's oppositions. It appears Mr Liao filed two oppositions against Mr Fuping's mark. The first to be filed was 434885. Mr Fuping's application was published for opposition on 20 May 2022. Mr Liao filed his notice of opposition on form TM7 on 11 July 2022 (within the statutory time limit of two months). The

⁶ See Tribunal Practice Notices 2/2020 and 1/2021.

opposition was deemed inadmissible because the pleaded ground, section 5(2)(a), relied upon Mr Liao's mark which is the subject of the present opposition proceedings. That mark is not earlier in time than Mr Fuping's mark and so could not be used to found the opposition under section 5(2) of the Act. The opposition was deemed withdrawn on 7 September 2022. The second opposition to be filed by Mr Liao against Mr Fuping's application was number 435107. Mr Liao filed this notice of opposition on form TM7 on 21 July 2022. The opposition was deemed inadmissible because it had been filed out of time, the statutory opposition period having expired on 20 July 2022. I note that the form TM7 pleaded sections 5(3) (on the erroneous basis of Mr Liao's opposed application 3763518), 5(4)(a) and 3(6). I note that the section 5(4)(a) ground claimed goodwill in relation to exactly the same goods as for the present invalidation application, as set out in paragraph 8 of this decision.

21. Since none of Mr Liao's evidence supports his claim to goodwill in relation to the goods identified in his pleadings, as set out at paragraph 8 of this decision, the section 5(4)(a) ground fails.

Section 3(6)

22. 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. It summarised the law as follows:⁷

⁷ The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

“67. The following points of relevance to this case can be gleaned from these CJEU authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton 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].

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

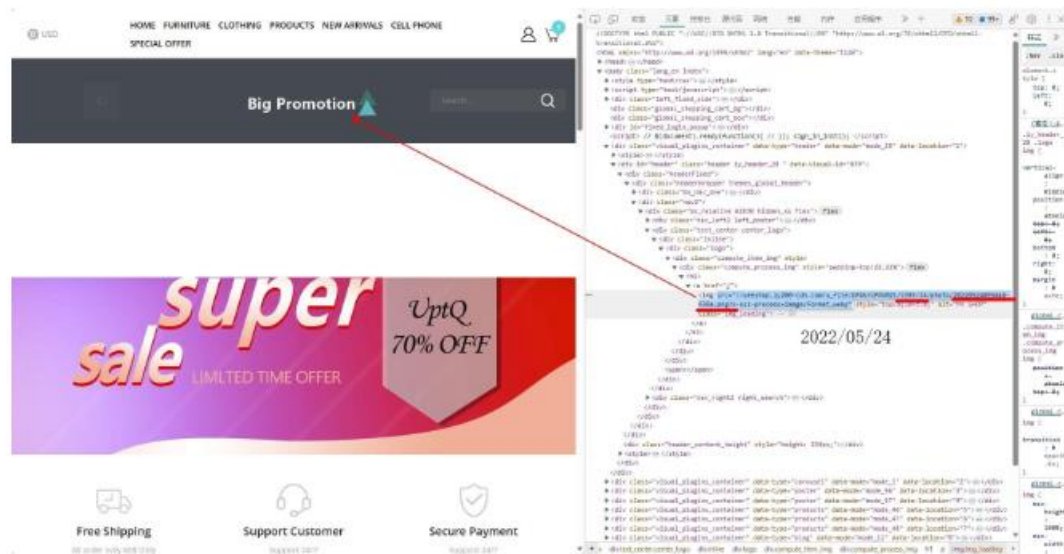
23. It is necessary to ascertain what the applicant for the trade mark knew at the relevant date: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant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

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

25. I have already referred to Mr Liao's evidence-in-chief for the invalidation. Mr Fuping's evidence is very brief. He states that, in 2016, he introduced a range of electronics and clothing products under the mark MOSOTECH and then lists all the goods of his registration. Exhibit 1 is said to show the sale of his "product" since 2016: the undated print is of a single item, a mobile phone holder, on a website called mofive.com, with the price in US dollars. This does not show UK trade. The accompanying wording says "Launch time: May 23, 2016." There are zero reviews of the item. Mr Fuping states that the goods are sold throughout the UK, including online; and internationally. There are no exhibits to support this statement. Mr Fuping also states that, since 2016, he has promoted the goods in the UK by way of advertisements, brochures and "in-store". There are no exhibits to support this statement. Mr Fuping's statements amount to no more than assertion without more supporting evidence, whether in the body of the witness statement or as exhibits. Since Mr Fuping's evidence has no weight, it is not strictly necessary to deal with Mr Liao's evidence in reply. However, for completeness and because it challenges the probity of Mr Fuping's evidence, I will set out the main points of Mr Liao's evidence-in-reply.

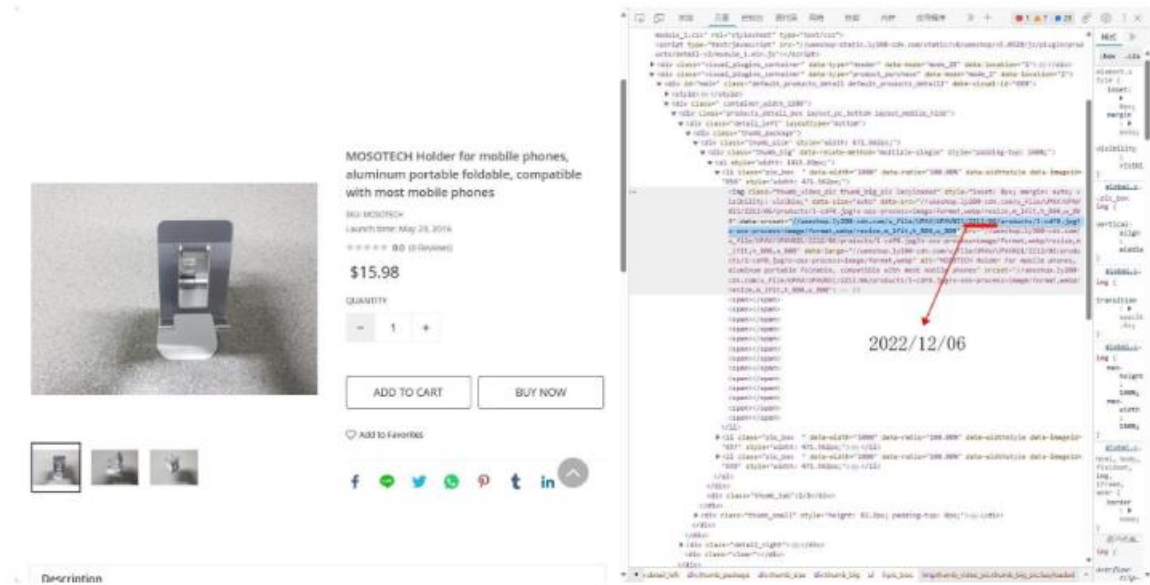
26. Mr Liao states that the edit date of the two pictures downloaded from Mr Fuping's website was 6 December 2022 and that it is impossible that the products were on sale since 2016. I can see only one picture exhibited to Mr Fuping's witness statement, as

described above. I have not opened the weblink referred to in the body of the witness statement because weblinks are not a durable form of evidence.⁸ Exhibit 1 to Mr Liao’s statement purports to show a screenshot from the mofive.com website with what he states is the source code. The exhibit comprises a number of prints from mofive.com, downloaded on 20 September 2023 at 16.54 showing various items such as a portable charger, a hat, and a filing cabinet. The top of each page also says myueeshop. The last page of the exhibit looks like this:



27. It is not explained what this is meant to show. I assume that Mr Liao means to show that the heading “Big Promotion”, which appears at the top of the single exhibit to Mr Fuping’s statement, was not created until 24 May 2022. However, it is not clear to me how that affects the product launch date of the mobile phone charger, said to be 23 May 2016. Similarly, Exhibit 2 contains a print which appears to be the same as Mr Fuping’s exhibit, with the following:

⁸ The difficulties of weblinks as evidence without durable support were explained by the General Court of the European Union in Case T-317/05, *Kustom Musical Amplification v OHIM*. The parties’ attention was drawn to the fact that the Hearing Officer would not open weblinks in the Tribunal’s letters of 20 July 2022 and 17 October 2022.



28. Exhibit 3 is along the same lines, in relation to socks which have a 'launch time' of May 23, 2016, but which Mr Liao states have a source code of 6 December 2022.

29. Mr Liao points out that Mr Fuping's website has the following copyright notice:

Copyright © 2005-2015 MySite Ltd. All Rights Reserved. POWERED BY UEESHOP

30. Mr Liao states that this date cannot be right because he has found that MYSITE LIMITED was incorporated on 23 March 2019 (from the Companies House register) (Exhibit 4). Mr Liao states that there is no company information or 'about us' information on the website, and the contact number is unavailable. Domain name registration details are shown in Exhibit 6, which reveal that the domain name mofive.com was registered on 10 February 2018. Mr Liao states that there are rules for operating an e-commerce website: the company name, address and registration number must be shown; correspondence information must be shown on the website; and a privacy policy needs to be developed and made public. Mr Liao states that none of this is shown on Mr Fuping's website, as it is purported to be in Mr Fuping's Exhibit 1.

31. I agree that there are questions about Mr Fuping's Exhibit 1. As said earlier, even without Mr Liao's challenge, Mr Fuping's evidence has no value because it consists of unsupported assertions. The single exhibit, whether true or not, does not show any

sales have taken place or that any goods were offered for sale in the UK prior to the date on which Mr Fuping filed his trade mark application.

32. This means that Mr Fuping's evidence proves nothing. However, before considering whether Mr Fuping has sufficiently answered an allegation of bad faith, there needs to be a properly pleaded allegation and supporting evidence to answer. I return to the pleadings set out in the statement of grounds:

“16. In *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* (1999) RPC 367, Lindsay J stated at page 379 that “*I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined.*”

17. The Opponent therefore submits that there was a dishonest intention on the part of the Applicant at the time of filing as the Applicant is not currently using the trade mark (or allowing someone else to use it with their consent) or have a bona fide (good faith) intention to use it in relation to the goods requested.”

33. In *Simpson Performance Products, Inc v Andreas Freundlieb*, Mr Phillip Johnson, sitting as the Appointed Person, said:⁹

“37. Any allegation of bad faith must be fully and properly pleaded as it is akin to an allegation of dishonesty: *Jaguar Land Rover Ltd v Bombardier Recreational Products Inc* [2016] EWHC 3266 (Ch), [50]. While Hearing Officers often adopt a degree of liberality when it comes to the particularity of pleading before the registrar, this should not apply where dishonesty, or bad faith, is alleged. As *Jaguar* makes clear it needs to be very clear to the trade mark proprietor (or applicant) exactly how its probity is being attacked. So any Statement of Case alleging bad faith should be properly set out so that every fact supporting bad faith is clear.”

⁹ Case BL O/0197/23.

34. The pleadings reveal nothing about why, at the date on which the contested mark was filed, Mr Liao considered that Mr Fuping had no intention to use it (or to allow a third party to use it). Whether it is bad faith to apply for a trade mark without any intention to use it in relation to the specified goods and services but with the intention of using it as a 'legal weapon' was considered in *Sky v Skykick*, CJEU, Case C-371/18, EU:C:2020:45 ("*Sky CJEU*") and *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 ("*Sky CA*"). That aspect of the Court of Appeal's judgment was appealed and a decision from the Supreme Court is awaited. At present, the law appears to be as follows:

- a) Applying to register a trade mark without an intention to use it is not bad faith *per se*. Therefore, it is not necessary for the trade mark applicant to be using, or have plans to use, the mark in relation to all the goods/services covered by the specification: *Sky CJEU*.
- b) The bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing his or her application, that applicant had no economic activity corresponding to the goods and services referred to in that application: *Sky CJEU*.
- c) However, where the trade mark application is filed without an intention to use it in relation to the specified goods and services, and there is no rationale for the application under trade mark law, it may constitute bad faith. Such bad faith may be established where there are objective, relevant and consistent indications showing that the applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark: *Sky CJEU*.
- d) A trade mark may be applied for in good faith in relation to some of the goods/services covered by the application, and in bad faith as regards others: *Sky CJEU*.

- e) It is not possible for there to be bad faith in respect of an entire category of goods or services where there was an intention to use the mark in relation to some goods or services within that category (*Sky CJEU*; *Sky CA*).
- f) Each category of goods and services must be considered separately, taking into account legitimate use and factors such as an applicant's reputation, brand recognition and expansion which might justify a wide specification: *Sky CA*.

35. In particular, given the bare nature of the pleading, I note that point (b) of the *Sky CA* summary says that bad faith cannot be presumed on the basis of the mere finding that the applicant had no economic activity at the relevant date. It is also not necessary for the trade mark applicant to be using, or have plans to use, the mark in relation to all the goods/services covered by the specification (point (a)). The pleadings set out in the application for a declaration of invalidity were what the proprietor was entitled to regard as the case it had to answer if it chose to file a defence (which it did). The defence said:

“The Opponents [Mr Liao] also claim their arguments on "bad faith". However they don't provide any further evidence or arguments to base their claim. In order succeed in the claim of bad faith, the true right holder (in this case the Opponent) had to submit sufficient evidence to prove that the Applicant [Mr Fuping] was acting in malice or negligence when applying for the trade mark MOSOTECH. In this case the Opponent didn't provide any further evidence and therefore their bad faith argument is baseless.”

36. Mr Liao was not required to file evidence with the invalidation application form, but he was required to file evidence-in-chief to support both his grounds. The caselaw shows that the initial evidential burden falls upon Mr Liao: he must present evidence of a prima facie case from which a rebuttable presumption of lack of good faith can be drawn. If Mr Liao does that, then the burden shifts to Mr Fuping to rebut the allegation.

37. The evidential timeline in these proceedings has gone like this:

- initially, there was only Mr Fuping’s opposition against Mr Liao’s application: the Tribunal’s letter of 20 July 2022 gave Mr Fuping (as the opponent) a deadline to file evidence by 20 September 2022 (Mr Fuping was not required to file any evidence in the opposition to support his section 5(1) ground);
- Mr Fuping did not file evidence in the opposition and the Tribunal’s letter of 17 October 2022 gave Mr Liao (as the applicant) a deadline of 19 December 2022 by which to file evidence (Mr Liao was not required to file evidence in the opposition to support his defence);
- Mr Liao filed evidence in the opposition on 23 November 2022. This is briefer than the evidence about Mr Liao’s use of his mark which I have described at paragraph 17 of this decision;
- on 20 January 2023, the Tribunal suspended the opposition pending the filing of the defence against the invalidation application. The parties were informed that the two sets of proceedings would be consolidated and that the timetable for the evidence rounds would be reviewed once the defence had been filed (the deadline for which was 3 February 2023);
- on 16 May 2023, the Tribunal consolidated the proceedings and set a revised evidence timetable, saying:

“Evidence periods

The official letter of 17 October 2022 set a period for Chundan Liao to file evidence in relation to OP000432459. Evidence was filed on 23 November 2023 and consists of;

Witness Statement	Exhibits
Chundan Liao	EXH1-EXH5
Statement of Use dated 21 November 2022	

No evidence was filed by Chen Fuping in relation to OP000432459

In view of the newly consolidated proceedings, it is considered necessary for both parties to be granted a period to file evidence in relation to CA000505512.

In view of this the Registry would expect the parties to adhere to the following revised timetable:

**Filing of Chundan Liao's evidence/submissions
in relation to CA000505512 only: 17 July 2023**

**Filing of Chen Fuping's evidence/submissions
in relation to CA000505512 only: 17 July 2023**

**Both parties to file evidence strictly in reply
in the consolidated proceedings: 17 September 2023."**

38. Mr Liao filed evidence on 13 June 2023. It goes to the use made of his mark but there is nothing about Mr Fuping's application for a trade mark, beyond a reference to the two oppositions Mr Liao had filed (which were inadmissible, as set out earlier in this decision). Mr Fuping then filed evidence (described above at paragraph 25) on 17 July 2023. Mr Liao filed evidence in reply on 25 October 2023 (having been allowed an extension of time). This is the evidence which criticises Mr Fuping's very brief evidence. It is the first time Mr Liao has addressed Mr Fuping's use of his mark in evidence. This should have been done in Mr Liao's evidence-in-chief, the deadline for which was 17 July 2023. In his evidence-in-chief, Mr Liao simply filed an amplified version of the evidence he had filed in the opposition proceedings, dealing with his use of his own mark. At no point in either of the versions of evidence-in-chief, but particularly that for the invalidation proceedings, is the ground of bad faith (section 3(6)) addressed or supported. There is no reference to it.

39. That is unfair to Mr Fuping because not only was there nothing fleshed out in the pleadings, there was nothing about bad faith in the evidence which Mr Liao filed to support his pleadings. This failure to support the (thin) pleadings by evidence which Mr Fuping could answer, coupled with points (a) and (b) of the *Sky CA* summary

referred to above, means that I find the section 3(6) ground fails because there is no rebuttable prima facie case to be answered, whatever the shortcomings of Mr Fuping’s evidence. If all it takes for a ‘no intention to use’ bad faith ground is for a party to allege that the other party has not used their mark, then anybody could say that about any unused mark. That cannot be right without cogent pleadings and sufficient supporting evidence-in-chief to raise a rebuttable presumption of a lack of good faith. Since Mr Liao has not done that in this case, the ground must fail.

Outcome of invalidation application

40. The invalidation application fails in its entirety. Mr Fuping’s mark remains registered. This outcome means that Mr Fuping may rely upon his mark in the opposition, to which I now turn.

The opposition

41. The marks are clearly identical. For section 5(1), the goods must also be identical.

42. The law requires that goods and services be considered identical where one party’s description of its goods and services encompasses the specific goods and services covered by the other party’s description (and vice versa): *Gérard Meric v OHIM*, General Court of the European Union (“GC”).¹⁰ The following goods are identical, either on this basis or because the goods are identically worded, or nearly so, or use interchangeable terms:

Mr Fuping’s goods	Mr Liao’s goods
<p><i>Cable covers [conduits];</i></p> <p><i>Hands-free holders for cell phones;</i></p> <p><i>Stands adapted for mobile phones;</i></p> <p><i>USB cables for cellphones;</i></p>	<p><i>junction sleeves for electric cables;</i></p> <p><i>sheaths for electric cables; Cable covers [conduits]; Cable ducts (Electric);</i></p> <p><i>Hands-free holders for cell phones;</i></p> <p><i>Stands adapted for mobile phones;</i></p> <p><i>USB cables for cellphones;</i></p>

¹⁰ Case T-33/05.

<p><i>Wireless headsets;</i> <i>Phone cases;</i> <i>Digital photo frames;</i> <i>Tape players;</i> <i>Computer peripheral apparatus;</i> <i>Camera flashes; Selfie sticks.</i></p> <p><i>Computer peripheral apparatus;</i></p> <p><i>Underwear;</i> <i>Mufflers as neck scarves;</i> <i>Footwear [excluding orthopedic footwear];</i> <i>Long sleeve pullovers;</i> <i>Yoga shirts;</i> <i>Socks;</i> <i>Hats;</i> <i>Swimsuits;</i></p> <p><i>Underwear;</i></p> <p><i>Infant clothing;</i></p>	<p><i>Wireless headsets;</i> <i>cases for smartphones;</i> <i>Digital photo frames;</i> <i>Tape players;</i> <i>Computer peripheral apparatus;</i> <i>Camera flashes; Selfie sticks.</i></p> <p><i>Microphones;</i></p> <p><i>Underwear;</i> <i>Scarfs;</i> <i>Shoes;</i></p> <p><i>Sweaters;</i> <i>Shirts;</i> <i>Socks;</i> <i>Hats;</i> <i>Swimwear;</i></p> <p><i>Vests; stockings; Panty hose; Hosiery;</i></p> <p><i>Skirts; Jeans;</i></p>
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43. That leaves the following terms in Mr Liao's specifications:

Class 9: Tablet holders adapted for use in cars; smart watches;

Class 25: Ties; Turbans; Belts for clothing.

44. *Tablet holders adapted for use in cars* are not listed in Mr Fuping's specification and there are no near-identical or interchangeable terms. The only other possibility is under the *Meric* principle with regard to Mr Fuping's *Computer peripheral apparatus*. I do not believe that tablet holders for use in cars are covered by computer peripheral apparatus which seems to me to be goods such as keyboards, computer mice, webcams, microphones and suchlike (as in Mr Fuping's term *Mouse [computer*

peripheral]); i.e. hardware. There are no terms which cover *smart watches* and this term is not listed in Mr Fuping's specification, nor are there any near-identical or interchangeable terms.

45. There are no terms which cover *ties* and this term is not listed in Mr Fuping's specification, nor are there any near-identical or interchangeable terms. I have considered whether Mr Fuping's *hats* covers Mr Liao's *Turbans*, but have decided that they do not. The natural and core meaning of turbans are long pieces of fabric which are wrapped around the head for religious and cultural observance. I have considered whether Mr Fuping's *infant clothing* covers Mr Liao's *belts for clothing* and conclude that belts would not be suitable for infants because of the risk of injury (such as choking). I have also considered whether Mr Liao's *belts for clothing* covers Mr Fuping's *Cummerbunds* but have concluded that they are different items of clothing. Cummerbunds are a sort of wide sash tied around the waist in formal evening wear. They do not pass through belt loops or hold anything up. They are not belts as per the core and natural meaning of belts for clothing.

46. Since there is no section 5(2)(a) pleading, whereby the marks have to be identical but the goods can be similar (not identical), the opposition fails in respect of the goods which are not identical. It succeeds under section 5(1) for all the goods in the table above at paragraph 42.

Overall outcome

47. The opposition succeeds in respect of the following goods for which Mr Liao's application will be refused:

Class 9: Microphones; junction sleeves for electric cables; sheaths for electric cables; Cable covers [conduits]; Cable ducts (Electric -); Hands-free holders for cell phones; Stands adapted for mobile phones; USB cables for cellphones; Wireless headsets; cases for smartphones; Digital photo frames; Tape players; Computer peripheral apparatus; Camera flashes; Selfie sticks.

Class 25: Skirts; Underwear; Scarfs; Shoes; Sweaters; Shirts; Vests; Socks and stockings; Panty hose; Hosiery; Hats; Jeans; Swimwear.

48. The opposition fails for the following goods for which Mr Liao's application will proceed to registration:

Class 9: Tablet holders adapted for use in cars; smart watches.

Class 25: Ties; Turbans; Belts for clothing.

49. Registration 3760779 remains registered because the invalidation application fails.

Costs

50. Mr Fuping has been the more successful party and is entitled to a contribution towards his costs, reduced to take into account the partial failure of his opposition. The contribution is calculated according to the scale of costs set out in Tribunal Practice Notice 2/2016, applicable at the time the opposition was filed. The breakdown is as follows:

Statutory fee for filing the opposition	£100
Preparing the opposition and considering the counterstatement	£300
Considering the invalidation application and preparing a counterstatement	£300
Preparing evidence and considering Mr Liao's evidence	£500
Reduction of 5%	£60

Total

£1140

51. I order Chundan Liao to pay to Chen Fuping the sum of £1140. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 27th day of August 2024

Judi Pike

For the Registrar