

O/1059/25

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003978071  
BY SHANGHAI SHENG JUN INFORMATION TECHNOLOGY LTD.  
TO REGISTER:



AS A SERIES OF TRADE MARK IN CLASSES 9, 38 AND 42

AND

IN THE MATTER OF THE OPPOSITION THERETO  
UNDER NO. 446125  
BY UAB "DATA TROOPS"

## BACKGROUND AND PLEADINGS

1. On 10 November 2023, Shanghai Sheng Jun Information Technology Ltd. (“the applicant”) applied to register the trade mark shown on the cover page of this decision, in the UK. The application was accepted and published in the Trade Marks Journal on 01 December 2023 in respect of the following goods and services:

**Class 9:** *Downloadable computer software for use in providing multiple virtual browser profiles for private access to a global computer information network; Downloadable computer software, namely, software for use in creation of unique users internet browser technical data for secure and private user access to the Internet; Downloadable computer software for multiple virtual browser profile management; Downloadable computer software, namely, software for use as Internet browser extension for Internet browser traffic encryption to ensure secure and private access for users to the Internet; Downloadable computer software that enables users of computers to securely connect to a remote server in order to allow for secure and private transmission of communications over the Internet; Downloadable software, namely, software for use as Internet browser extension for proxy server and proxy network access and management; Downloadable computer software for use as browser extension for gathering of commercial, public and non-private information available on the Internet according to a specific user selection; Downloadable computer software for use as browser extension for downloading of commercial, public and non-private data available on the Internet according to a specific user selection; Downloadable computer software for use as browser extension for scheduling execution of commercial, public and non-private Internet data gathering tasks according to a specific user query; Downloadable computer software for use as browser extension for the management of commercial, public and non-private information retrieved from the Internet according to a specific user query; Downloadable computer software for use as browser extension for creation and management of proxy server lists; Downloadable computer software for use as browser extension for creation of proxy gateway lists; Network management computer software, namely, downloadable software for use in network management; downloadable*

*communication software for connecting computer network users; Downloadable communication software for connecting global computer networks; Downloadable computer software for remote monitoring and analysis of computer systems and computer networks; Downloadable software for management and control of access server applications; Downloadable software for provision of access to the Internet; Downloadable computer software for enabling connection between remote computer servers and computer network users.*

**Class 38:** *Advisory, information and consultancy services in the field of telecommunication services using proxy servers network; Advisory, information and consultancy services in the field of telecommunications as it relates to data communications via the Internet; Electronic transmission of data and information by computer terminals and electronic communication means; Electronic transmission of data and information by computer terminals; communications services for providing access to a database of Big data; Communications services for the electronic transmission of data and information by computer terminals and electronic communication means; Electronic transmission of computerized data and information via proxy servers; Electronic transmission of Big data via computer networks and via the Internet; Consultancy and information services in the field of telecommunications relating to data communications via Internet using proxy servers; Electronic transmission of Big data between networked computer systems; Information services, namely, providing information in the field of telecommunications, relating to communications of Big data; Providing access to a computer database of Big data; Providing access to a global computer network and area computer networks; Providing access to commercial, public and non-private data from Internet websites; Providing access to commercial, public and non-private information via data networks, namely, providing multiple user access to data on the Internet in the field of telecommunications, provision of access to data or documents stored electronically in central files for remote consultation; Providing electronic telecommunications connections to a global communication network or databases of Big data using proxy server network; Providing third-party users with access to telecommunications infrastructure via*

*proxy servers; Providing user access to computer program platforms in data networks with unrestricted public access and its available data via the Internet; Electronic transmission of Big data via computer networks and network of proxy servers.*

**Class 42:** *Providing online, non-downloadable software, namely, software for proxy server and proxy network management; Software as a service (SaaS) services featuring software for proxy server and proxy network management; Software as a service (SaaS) services featuring software for scheduling execution of publicly available Internet data gathering tasks according to a specific user query; Advisory and information services relating to the design and development of computer software; Technical support services, namely, troubleshooting of computer software and application problems; Providing technology information and consultancy in the field of proxy server networks; Providing technology information and consultancy regarding the creation of communication systems for retrieval and transmission of commercial, public and non-private data from the Internet websites; Software as a service (SaaS) services featuring software for provision of proxy servers and proxy network for others; Software as a service (SaaS) services featuring software for use in searching and collection of Big data according to a specific user query; Design and development of computer programs for collection, transmission, management and processing of commercial, public and non-private data from Internet websites; Remote computer data backup, recovery and conversion services of computer program data or information, other than physical conversion; Design and development of electronic databases of Big data; Design and development of electronic databases of commercial, public and non-private data from Internet websites; Big data analysis, namely, analysis of different types of data publicly available and searchable online via the Internet; technical data analysis, namely, publicly available commercial data analysis; technical data analysis, namely, analysis of public and non-private data and statistics searchable via the Internet ; Providing on-line non-downloadable computer programs for commercial, public and non-private Internet data processing; Providing on-line non-downloadable computer software for retrieval of Internet browser technical data; Software as a service (SaaS) services*

*featuring software for gathering of commercial, public and non-private data from the Internet according to a specific user selection; Providing temporary use of on-line non-downloadable software for management of database of Big data; Software as a service (SaaS) services featuring software for providing proxy servers for others; providing temporary use of online, non-downloadable communication software for connecting computer network users; providing temporary use of online, non-downloadable communication software for connecting global computer networks.*

2. On 29 February 2024, the application was opposed by UAB "Data troops" ("the opponent") based upon Sections 5(2)(b), 5(3), 5(4)(a) and 3(6) of the Trade Marks Act 1994 ("the Act").

3. Under both Sections 5(2)(b) and 5(3), the opponent relies upon the following International Registration (IR) and all of the goods and services covered by the same, as shown below:

WO0000001735974



Mark details

Colours claimed: The mark contains the colours pink and blue.

International registration date: 22 March 2023

Designation date: 22 March 2023

Date of protection of the international registration in UK: 08 September 2023

Priority date: 26 February 2023<sup>1</sup>

**Class 9:** *Data and file management software; computer software applications, downloadable; computer software for database management; application software for mobile phones; computer programs for searching remotely for content on computers and computer networks; computer programs for connecting remotely to*

---

<sup>1</sup> Priority is claimed from EUTM 018840915

computers or computer networks; computer software to enable searching and retrieval of data; computer software for wireless network communications; network management computer software; data sets, recorded or downloadable; data processing software; downloadable computer software for the collection of data and information; communications software for connecting computer network users; communications software for connecting global computer networks; downloadable computer software for remote monitoring and analysis; software for searching and retrieving information across a computer network; computer software for controlling and managing access server applications; computer software for use in providing multiple user access to a global computer information network; computer programs for accessing and using the internet; downloadable computer software for the transmission of data and information; computer hardware and software for providing secure remote access to computer and communication networks; computer software for accessing databases; apparatus for processing, transmitting and storing database information; computer software for creating proxy networks and proxy servers; computer programs for accessing, browsing and searching online databases; downloadable computer software using machine learning for data analysis; software for the analysis of business data; downloadable computer software for proxy server and proxy network access and management.

**Class 38:** *Information transmission via electronic communications networks; data transmission via telecommunications networks; providing access to telecommunications networks; electronic transmission of data; providing access to electronic databases; transmission of data and information by computer and electronic communication means; transmission of database information via telecommunications networks; transmission of information via national and international networks; information transmission services via digital networks; providing telecommunication connections to the internet or databases; electronic exchange of data stored in databases accessible via telecommunication networks; providing multiple-user access to global computer information networks for the transfer and dissemination of a wide range of information; transfer and dissemination of information and data via computer networks and the internet; transmission of data files streamed over a global computer network; providing user*

*access to information and information services available on the internet and on other computer networks; wireless transfer of data via the internet; computerised data communications; information services relating to data communications; advisory services relating to data communications; consultancy services relating to data communications via internet; provision of access to data on communication networks; transmission of information by data communications for assisting decision making; transmission of messages, data and content via the internet and other computer and communications networks; transmission of computerized data; data transmission services between networked computer systems; provision of access to an electronic on-line network for information retrieval; providing user access to platforms on the internet.*

**Class 42:** *Advisory and information services relating to computer software; technical advice and consultancy services in the field of information technology; technical support services, namely, troubleshooting of computer software problems; design and development of data retrieval software; design and development of computer software for the collection, transmission and analysis of big data; technical data analysis services; design and development of electronic databases; development of data processing programs; data processing system design; design of computer software for data processing; creating programs for data and information processing; computer programming for data processing and communication systems; platform as a service [paas]; providing temporary use of online non-downloadable software for database management; computer services, namely hosting proxy servers to others on the internet; data conversion of electronic information; technological consultancy and information services in the field of computer networks and data transmission networks; providing on-line non-downloadable computer software for retrieval of internet browser technical data; software as a service (saas) for gathering of commercial, public and non-private data from the internet according to a specific user selection; software as a service (saas) for scheduling execution of publicly available internet data gathering tasks according to a specific user query; providing online, non-downloadable software, namely software for proxy server and proxy network management.*

4. By virtue of its earlier priority date, the IR relied upon by the opponent is an “earlier mark” in accordance with Section 6 of the Act. The IR had not been registered for five years or more at the filing date of the applicant’s mark and, as such, it is not subject to the use conditions under Section 6A of the Act. Accordingly, the opponent may rely upon all the goods and services identified in its notice of opposition without having to show that it has genuinely used the IR.

5. Under Section 5(2)(b), the opponent claims there is a likelihood of confusion because the marks are highly similar, and the goods and services are identical or highly similar to the extent that they all relate to, or are closely connected to, software, computer, technology, telecommunication and network goods and services.

6. Under Section 5(3), the opponent claims that its earlier IR enjoys a reputation in relation to all of the registered goods and services, and that use of the applied-for mark will take unfair advantage of, or cause detriment to, the reputation and distinctive character of the earlier IR. In this connection, the opponent states that if the applicant is permitted to use the applied-for mark, *“consumers will be confronted with highly (and confusingly) similar marks for identical goods and services, suggesting a connection, both economic and otherwise, between the opponent and the applicant”* and that *“the result will be not only theoretical, but economic and real, in nature”* because (a) use of the application would enable the applicant, at no cost or investment to itself, to attract interest and trade from consumers, thereby free-riding the opponent’s distinctive character and reputation in and under the earlier IR (unfair advantage); (b) the use of the application would clearly dilute, blur or otherwise reduce the earlier mark’s power of attraction and distinctive character (detriment to distinctive character or “dilution”); (c) use of the application will inevitably tarnish and damage the valuable reputation of the IR, as the opponent has no control over the quality of the goods and services provided by the applicant under the applied-for mark (detriment to reputation or “tarnishment”).

7. Under Section 5(4)(a), the opponent relies upon the unregistered signs shown below:

‘SMARTPROXY’



which, it is said, have been used throughout the UK (and elsewhere) since 2018 in relation to the following: *software, computer, technology, telecommunication and network goods and services*. Further, the opponent states that it has built up, and owns, valuable UK (and wider) goodwill in and under the signs and that use of the applied-for mark will result in misrepresentation and damage. Accordingly, the opponent claims that the application should be refused under Section 5(4)(a).

8. Under Section 3(6), the opponent claims that:

(a) The opponent has used the marks 'SMARTPROXY' and

 in China and the UK, from at least 2018.

(b) The opponent is also the proprietor of a number of trade mark applications and/or registrations around the world, including marks incorporating the words 'Smartdaili' or 'Smartproxy' in China.

(c) The applicant has filed a number of applications and/or registrations around the world, including but not limited to marks incorporating the words 'Smartdaili' or 'Smartproxy' in China.

(d) The opponent contacted the applicant in 2022 in relation to its intellectual property rights. The communication was ignored by the applicant and resulted in the various trade mark filings of the identical and/or highly similar trade mark applications by the applicant, not only in China but also elsewhere, involving around 16 different countries.

(e) As a result of the applicant's trade mark filings of the identical/highly similar applications, the applicant and the opponent are currently involved in various multinational opposition and cancellation proceedings involving the opponent's

earlier marks for 'SMARTPROXY' and 'SMARTDAILI', in the EU, China, UK, US and elsewhere.

- (f) The applicant has filed the opposed application, amongst other applications, in bad faith as a result of disputes in China.
- (g) The opponent is also the registered proprietor of the domain names for <https://smartproxy.com/> (acquired by the opponent in 2018) and <https://smartdaili.cn/> (registered in March 2022). The applicant is the proprietor of the following squatting domain names:
- [www.smartproxycn.com](http://www.smartproxycn.com) registered in April 2022
  - [www.smartproxy.cn](http://www.smartproxy.cn) registered in August 2022
  - <https://www.smartproxy.org/>, registered in February 2006 and acquired by the [applicant] around September 2023.

The opponent alleges that these domain names were set up for squatting purposes, to impersonate the opponent, to freeride on the opponent's brand success and to mislead consumers into believing that the services provided by the applicant are those of the opponent.

- (h) The applicant has also resorted to take down practices and social media harassment on the opponent's social media channels in order to intimidate and cause damage to the opponent's business and its goodwill.
- (i) The applicant's conduct demonstrates a course of conduct amounting to bad faith aimed at causing damage to the opponent and to wrongfully associate the applicant and its services with the opponent, when no such association exists; and, in turn with the intention that if the opposed application becomes registered and is used, to generate a wrongful financial gain for the applicant.

(j) The opponent also states that evidence will be adduced that the applicant's obvious knowledge of the opponent and its earlier IR is reinforced by the applicant's intended use of the opposed application, namely:

- I. By incorporating the identical element 'SMARTPROXY' in the opposed application;
- II. By operating infringing websites, identical to those of the opponent, so as to mislead consumers;
- III. By intending to use the opposed application in a manner which suggests a connection between the applicant and the opponent and/or the earlier IR;
- IV. By representing that the applicant has been licensed or is otherwise authorised by the opponent to use the opposed application.

9. The applicant filed a defence and counterstatement, denying the opponent's claims.

10. The opponent is represented by Wedlake Bell LLP, and the applicant is represented by Katarzyna Eliza Binder-Sony.

11. Only the opponent filed evidence in chief; however, the applicant filed written submissions dated 5 September 2024. Neither party requested a hearing, but the applicant filed submissions in lieu of a hearing. I make this decision having taken full account of all the papers, referring to them as necessary.

### **Relevance of EU Law**

12. The provisions of the Act relied upon in these proceedings are assimilated law, as they are derived from EU law. Although the UK has left the EU, Section 6(3)(a) of the European Union (Withdrawal) Act 2018 (as amended by Schedule 2 of the Retained EU Law (Revocation and Reform) Act 2023) requires tribunals applying assimilated

law to follow assimilated EU case law. That is why this decision refers to decisions of the EU courts which predate the UK's withdrawal from the EU.

## **EVIDENCE**

13. The opponent's evidence came in the form of a witness statement from Vytautas Savickas dated 9 July 2024. Mr Savickas's witness statement is accompanied by 13 exhibits (being those labelled Exhibits VS1 – VS13). Mr Savickas is the CEO of the opponent's company, a position he has held since February 2023. His evidence is aimed at showing goodwill and reputation in the earlier IR, as well supporting the bad faith claim made under Section 3(6). Along with his evidence, the opponent filed written submissions dated 10 July 2024.

14. Although the applicant did not file any evidence, it filed submissions in reply dated 5 September 2024.

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

## **DECISION**

### **Section 5(2)(b)**

16. Section 5(2)(b) of the Act reads as follows:

“5(2) A trade mark shall not be registered if because –

(a) ...

(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.”

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

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

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

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

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

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

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

(g) a lesser degree of similarity between the goods or services may be offset by a greater 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 to mind the earlier mark, 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.

### **Comparison of goods and services**

18. When making the comparison, all relevant factors relating to the goods and services in the specifications should be taken into account. In the judgment of the Court of Justice of the European Union (“CJEU”) in *Canon*, Case C-39/97, the court stated at paragraph 23 that:

“In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended

purpose and their method of use and whether they are in competition with each other or are complementary.”

19. Guidance on this issue has also come from Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, where he identified the factors for assessing similarity as:

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

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

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

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

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

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

20. In *Kurt Hesse v OHIM*, Case C-50/15 P, the CJEU stated that complementarity is an autonomous criterion capable of being the sole basis for the existence of similarity between goods. In *Boston Scientific Ltd v OHIM*, Case T-325/06, the General Court (“GC”) stated that “complementary” means:

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

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

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

22. Whilst on the other hand:

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

23. In *Gérard Meric v Office for Harmonisation in the Internal Market*, Case T- 133/05, the GC stated that:

“29. In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by trade mark application (Case T-388/00 *Institut für Lernsysteme v OHIM- Educational Services (ELS)* [2002] ECR II-4301, paragraph 53) or where the goods designated by the trade mark application are included in a more general category designated by the earlier mark.”

24. The competing goods and services are set out above at paragraphs 1 and 3 above.

25. In its written submissions, the opponent claims that with the exception of the following, all of the goods and services of the earlier IR are identical to the goods and services for which the applicant seeks registration:

**Class 9:** *data sets, recorded or downloadable; apparatus for processing, transmitting and storing database information.*

**Class 42:** *platform as a service [paas].*

26. The opponent also states that whilst the goods and services identified above are not identical, they are nonetheless similar to the applied-for goods and services.

27. The level of denial of the similarity of the goods and services in the applicant's pleadings is very general as it merely states: "*it is denied that the goods and services in respect of which the earlier mark is registered are either identical or similar to the opposed goods and services covered by the subject application*". Further, in its submissions, the applicant appears to accept that a degree of similarity between the goods and services exists, even though it is not at the highest level. In particular, in its submissions in lieu, the applicant states: "*the opponent has not sufficiently demonstrated that the applicant's goods and services are identical or highly similar to those covered by the earlier registration*". Although this is not an express admission, is not a denial either (at least it not a denial that the goods and services are similar to a degree which is lower than high). With this in mind, I now turn to the comparison:

**Class 9:** *Downloadable computer software for use in providing multiple virtual browser profiles for private access to a global computer information network; Downloadable computer software, namely, software for use in creation of unique users internet browser technical data for secure and private user access to the Internet; Downloadable computer software for multiple virtual browser profile management; Downloadable computer software, namely, software for use as Internet browser extension for Internet browser traffic encryption to ensure secure and private access for users to the Internet; Downloadable computer software that enables users of computers to securely connect to a remote server in order to allow for secure and private transmission of communications over the Internet; Downloadable software, namely, software for use as Internet browser extension for proxy server and proxy network access and management; Downloadable computer software for use as browser extension for gathering of commercial, public and non-private information available on the Internet according to a specific user selection; Downloadable*

computer software for use as browser extension for downloading of commercial, public and non-private data available on the Internet according to a specific user selection; Downloadable computer software for use as browser extension for scheduling execution of commercial, public and non-private Internet data gathering tasks according to a specific user query; Downloadable computer software for use as browser extension for the management of commercial, public and non-private information retrieved from the Internet according to a specific user query; Downloadable computer software for use as browser extension for creation and management of proxy server lists; Downloadable computer software for use as browser extension for creation of proxy gateway lists; Network management computer software, namely, downloadable software for use in network management; downloadable communication software for connecting computer network users; Downloadable communication software for connecting global computer networks; Downloadable computer software for remote monitoring and analysis of computer systems and computer networks; Downloadable software for management and control of access server applications; Downloadable software for provision of access to the Internet; Downloadable computer software for enabling connection between remote computer servers and computer network users.

28. The applied-for goods in class 9 are various types of downloadable software. The opponent's IR covers *computer software applications, downloadable*, which is a very broad term and encompasses all the software goods listed in the applied-for specification. These goods are identical on the principle outlined in *Meric*.

**Class 38:** Advisory, information and consultancy services in the field of telecommunication services using proxy servers network; Advisory, information and consultancy services in the field of telecommunications as it relates to data communications via the Internet; Electronic transmission of data and information by computer terminals and electronic communication means; Electronic transmission of data and information by computer terminals; communications services for providing access to a database of Big data; Communications services for the electronic transmission of data and information by computer terminals and electronic communication means; Electronic transmission of computerized data and information via proxy servers; Electronic transmission of Big data via computer networks and via

the Internet; Consultancy and information services in the field of telecommunications relating to data communications via Internet using proxy servers; Electronic transmission of Big data between networked computer systems; Information services, namely, providing information in the field of telecommunications, relating to communications of Big data; Providing access to a computer database of Big data; Providing access to a global computer network and area computer networks; Providing access to commercial, public and non-private data from Internet websites; Providing access to commercial, public and non-private information via data networks, namely, providing multiple user access to data on the Internet in the field of telecommunications, provision of access to data or documents stored electronically in central files for remote consultation; Providing electronic telecommunications connections to a global communication network or databases of Big data using proxy server network; Providing third-party users with access to telecommunications infrastructure via proxy servers; Providing user access to computer program platforms in data networks with unrestricted public access and its available data via the Internet; Electronic transmission of Big data via computer networks and network of proxy servers.

29. The earlier IR covers *information services relating to data communications; advisory services relating to data communications; consultancy services relating to data communications via internet.* These services are the same as the applied-for *Advisory, information and consultancy services in the field of telecommunication services using proxy servers network; Advisory, information and consultancy services in the field of telecommunications as it relates to data communications via the Internet; Consultancy and information services in the field of telecommunications relating to data communications via Internet using proxy servers; Information services, namely, providing information in the field of telecommunications, relating to communications of Big data.* Although the competing specifications refer to data communication and telecommunication, the applied-for terms make clear that data communication is a type of telecommunication and fall within its category. These services are identical on the principle outlined in *Meric*.

30. The remaining services in the application include the following categories: (a) electric transmission of computer data; (b) providing access to computer networks,

providing access to data and database via computer networks, providing telecommunication connections and providing access to telecommunication infrastructures. These services all fall within the opponent's terms *providing access to telecommunications networks; electronic transmission of data; providing access to electronic databases; providing telecommunication connections to the internet or databases; providing user access to information and information services available on the internet and on other computer networks*. These services are identical on the principle outlined in *Meric*.

**Class 42: Providing online, non-downloadable software, namely, software for proxy server and proxy network management; Software as a service (SaaS) services featuring software for proxy server and proxy network management; Software as a service (SaaS) services featuring software for scheduling execution of publicly available Internet data gathering tasks according to a specific user query; Advisory and information services relating to the design and development of computer software; Technical support services, namely, troubleshooting of computer software and application problems; Providing technology information and consultancy in the field of proxy server networks; Providing technology information and consultancy regarding the creation of communication systems for retrieval and transmission of commercial, public and non-private data from the Internet websites; Software as a service (SaaS) services featuring software for provision of proxy servers and proxy network for others; Software as a service (SaaS) services featuring software for use in searching and collection of Big data according to a specific user query; Design and development of computer programs for collection, transmission, management and processing of commercial, public and non-private data from Internet websites; Remote computer data backup, recovery and conversion services of computer program data or information, other than physical conversion; Design and development of electronic databases of Big data; Design and development of electronic databases of commercial, public and non-private data from Internet websites; Big data analysis, namely, analysis of different types of data publicly available and searchable online via the Internet; technical data analysis, namely, publicly available commercial data analysis; technical data analysis, namely, analysis of public and non-private data and statistics searchable via the Internet ; Providing on-line non-downloadable computer programs for commercial, public and non-private Internet data processing; Providing**

on-line non-downloadable computer software for retrieval of Internet browser technical data; Software as a service (SaaS) services featuring software for gathering of commercial, public and non-private data from the Internet according to a specific user selection; Providing temporary use of on-line non-downloadable software for management of database of Big data; Software as a service (SaaS) services featuring software for providing proxy servers for others; providing temporary use of online, non-downloadable communication software for connecting computer network users; providing temporary use of online, non-downloadable communication software for connecting global computer networks.

31. The term *providing online, non-downloadable software, namely software for proxy server and proxy network management* is identically contained in both specifications. These services are identical. If not identical, the opponent's term is also highly similar to the applied-for *Software as a service (SaaS) services featuring software for proxy server and proxy network management; Software as a service (SaaS) services featuring software for provision of proxy servers and proxy network for others; Software as a service (SaaS) services featuring software for providing proxy servers for others*. These services are identical.

32. The applied-for *Software as a service (SaaS) services featuring software for scheduling execution of publicly available Internet data gathering tasks according to a specific user query* is self-evidently identical to the opponent's *software as a service (saas) for scheduling execution of publicly available internet data gathering tasks according to a specific user query*. These services are identical. The same goes for the applied-for *Software as a service (SaaS) services featuring software for gathering of commercial, public and non-private data from the Internet according to a specific user selection and Providing on-line non-downloadable computer programs for commercial, public and non-private Internet data processing*. If not identical, the opponent's term must also be highly similar to the applied-for *Software as a service (SaaS) services featuring software for use in searching and collection of Big data according to a specific user query*, since the search, collection and processing of data is equivalent to data gathering tasks. These services are identical.

33. The applied-for *Advisory and information services relating to the design and development of computer software* are identical to the opponent's *Advisory and information services relating to computer software*, as the latter would include every aspect of computer software, including the design and development. These services are identical (*Meric*).

34. The applied-for term *Technical support services, namely, troubleshooting of computer software and application problems* is self-evidently identical to the opponent's *technical support services, namely, troubleshooting of computer software problems*. These services are identical.

35. The applied-for *Providing technology information and consultancy in the field of proxy server networks; Providing technology information and consultancy regarding the creation of communication systems for retrieval and transmission of commercial, public and non-private data from the Internet websites* fall within the opponent's term *technical advice and consultancy services in the field of information technology*. These services are identical (*Meric*).

36. The opponent's specification cover design and development of specific type of software, namely *design and development of data retrieval software; design and development of computer software for the collection, transmission and analysis of big data, design of computer software for data processing, as well as design and development of electronic databases; development of data processing programs; data processing system design; creating programs for data and information processing; computer programming for data processing and communication systems*. If not identical, the opponent's services are highly similar to the applicant's *Design and development of computer programs for collection, transmission, management and processing of commercial, public and non-private data from Internet websites; Design and development of electronic databases of Big data; Design and development of electronic databases of commercial, public and non-private data from Internet websites*. The services are, in fact, all related to the design and development of software and database so will overlap in purpose, method of use, nature, trade channels and user. These services are either identical or highly similar.

37. The applied-for *Remote computer data backup, recovery and conversion services of computer program data or information, other than physical conversion* if not identical, are highly similar to the opponent's *data conversion of electronic information*, because services relating to data backup/recovery and services relating to data conversion are complementary, target the same users, have a similar nature (IT related) and are likely to be supplied by through the same distribution channels. These services are either identical or highly similar.

38. The applied-for *Big data analysis, namely, analysis of different types of data publicly available and searchable online via the Internet; technical data analysis, namely, publicly available commercial data analysis; technical data analysis, namely, analysis of public and non-private data and statistics searchable via the Internet* fall within the opponent's broad term *technical data analysis services*. These services are identical (*Meric*).

39. The remaining *Providing on-line non-downloadable computer software for retrieval of Internet browser technical data; Providing temporary use of on-line non-downloadable software for management of database of Big data* fall within the opponent's term *providing temporary use of online non-downloadable software for database management*. These services are identical (*Meric*).

40. Lastly, although the applied-for *providing temporary use of online, non-downloadable communication software for connecting computer network users; providing temporary use of online, non-downloadable communication software for connecting global computer networks* do not have a direct counterpart in the opponent's services, the latter include *providing online, non-downloadable software, namely software for proxy server and proxy network management*, as well as *computer services, namely hosting proxy servers to others on the internet*. A proxy server is a system or router that acts as an intermediary between users and the internet. It serves as a gateway by verifying and forwarding client requests to other servers, facilitating access to content on the Internet. Admittedly, there is no evidence about whether the services are the same, but even if they are not, they ought to be similar, because they have a similar nature and purpose, i.e. providing a software for connecting computer users and networks to the Internet, target the same users, are

likely to be provided through the same trade channels and are complementary, the opponent's services providing an additional level of security to Internet access and computer networks. Overall, I consider these services to be similar to at least a medium degree.

### **Average consumer and the nature of the purchasing act**

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

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

42. The average consumer of the goods and services at issue will be either a member of the general public (i.e. downloadable software for provision of access to the internet) or a business or professional.

43. The goods and services will be purchased relatively infrequently. Even where they are directed towards the day-to-day running of a business, it is most likely that they would be bought on a contractual basis, although it cannot be excluded that there will be *ad hoc* purchases. Overall, it is my view that the average consumer will pay an average or above average degree of attention during the purchasing process, given the potential impact of the goods and services on a business's performance. The consumer would see the marks on promotional material, either in print or online, or


hear the marks spoken by an intermediary or other advisors. However, since most of the goods and services will be accessed via websites, visual considerations are more important, though the aural aspect of the mark will also play a part in the purchasing process.

### Comparison of marks

44. It is clear from *Sabel BV v. Puma AG* (particularly paragraph 23) that the average consumer normally perceives a mark as a whole and does not proceed to analyse its various details. The same case also explains that the visual, aural and conceptual similarities of the marks must be assessed by reference to the overall impressions created by the marks, bearing in mind their distinctive and dominant components. The CJEU stated at paragraph 34 of its judgment in Case C-591/12P, *Bimbo SA v OHIM*, that:

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

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

The applied-for mark	The opponent's earlier mark
	

## Overall impression

46. It is common ground that both parties' marks share the verbal element 'SMARTPROXY' which is identically contained in both marks, it is presented in title case in both marks, and it is the only verbal element within both marks. Both marks also contain an abstract device which is placed at the beginning of the marks before the word 'SMARTPROXY'. The device looks like a stylised letter 'S' (in black and blue respectively) in the application, and three red trapezoid shapes in the earlier mark.

47. The applicant states that *"the figurative and stylized components of the contested mark create a visually and conceptually distinct impression"*, that *"consumers will not merely focus on the word element but will also consider the overall presentation"* and that *"the term SMARTPROXY is descriptive and directly communicates the nature and purpose of the goods and services for which both marks are applied."* In support of this claim, the applicant relies on four exhibits which were filed along with its written submissions of 5 September 2024. In these submissions, the applicant stated:

*"The components of the trademark SMARTPROXY can be easily understood by the public based on common language use. The term SMART is commonly used in various industries to describe intelligent or advanced features, such as in smart technology or smart devices. PROXY is a term that refers to a substitute or intermediary, frequently used in the context of technology, especially for server proxies, network proxies, etc. Additionally, both the Applicant's and the Opponent's trademark applications for the word mark SMARTPROXY were refused by the EUIPO, as evidenced by Exhibits 1 and 2. The EUIPO raised objections under Article 7(1 )(b) and (c) and Article 7(2) of the EUTMR, asserting that the term SMARTPROXY is descriptive, lacks distinctive character, and is commonly used in the relevant market. This supports the argument that both trademarks should be compared with a focus on their graphic elements, as the word component alone is insufficient to*

*distinguish the marks. This wording emphasizes the need to focus on the graphic elements, given the EUIPO's refusal based on descriptiveness.”*

48. No copies of the EUIPO decisions allegedly sanctioning the descriptiveness of the term ‘SMARTPROXY’ was provided. Instead, the exhibits to which the applicant refers consists of the following:

- a. Copies of webpages from the USPTO showing a trade mark registration for ‘SMARTPROXY’ in the name of the opponent with a filing date of 17 August 2022 and a registration date of 23 January 2024; the records indicate that the mark was subject to a cancellation action that was refused on 17 May 2024 (EP1).
- b. Copies of webpages from the EUIPO tool TMView showing a number of trade mark registrations for ‘SMARTPROXY’ being classified as “ended” (EP2).
- c. Copies of webpages from the USPTO showing a number of trade mark registrations for ‘SMARTPROXY’ in the name of the applicant being classified as “*dead/application/withdrawn/abandoned*” on 13 May 2024. No reason for the abandonment is indicated (EP2-3).
- d. Results of Google searches for ‘SMARTPROXY’ which shows that the opponent’s website appears as the first result; the applicant also highlights that the opponent’s website is mentioned in third-party websites and provides copies of corresponding pages – the most they show is that ‘SMARTPROXY’ is identified as the opponent’s business and is described as a “*versatile and affordable proxy service provider*” (EP4).

49. There are several issues arising from this material. First, it is not in proper evidential format; as such it cannot be relied upon to prove the facts that it intends to prove. Second, even if it had been filed as evidence, it does not prove what it was intended to prove. This is because, it does not contain any reference to the alleged

EUIPO decisions which found 'SMARTPROXY' to be descriptive; but also, it suggests that some of the registrations for 'SMARTPROXY' were abandoned which would run contrary to the allegation that it was the EUIPO who cancelled the marks.

50. The most that can be said is that there are four terms in the opponent's specification in class 9 and 42 which refer to 'proxy servers' and 'proxy network', namely *computer software for creating proxy networks and proxy servers; downloadable computer software for proxy server and proxy network access and management* (class 9) and *computer services, namely hosting proxy servers to others on the internet; providing online, non-downloadable software, namely software for proxy server and proxy network management* (class 42). Admittedly, there are more terms in the applicant's specification which relate to 'proxy servers' and 'proxy network', however:

1. Most of the goods and services in the respective specifications do not relate to proxy servers or proxy networks and for these goods and services 'proxy' is distinctive to a normal degree.
2. Even in relation to the goods and services which relate to 'proxy servers' and 'proxy networks', the word 'proxy' is not presented alone but is combined with the word 'SMART' which Collins English dictionary defines as meaning 'stylish' or 'clever/intelligent' and adds another layer of distinctiveness to the verbal element of the marks – in this connection whilst I appreciate the applicant's argument that 'smart' "is used in various industries to describe intelligent or advanced features, such as in smart technology or smart devices, there is no evidence that proxy can be, or are normally referred to, as 'smart' or that they use artificial intelligence.
3. The earlier IR is a validly registered mark and, as such, it must be assumed to have *"at least some distinctive character."*<sup>2</sup>

---

<sup>2</sup> Formula One Licensing BV v OHIM, Case C-196/11P

4. The device element in the IR is made up of three banal geometrical shapes which I consider to be less distinctive than the word element 'SMARTPROXY'; the same goes for the application, whereby the device element will be perceived as a stylised letter 'S'.

51. Hence, bearing in mind the above, the rule of thumb that "*words speak louder than devices*" applies in this case, and I conclude that the dominant and distinctive element of both marks is the word 'SMARTPROXY'. Whilst the devices are not negligible, they will be seen as ornamental and have less weight in the overall impression.

### **Visual similarity**

52. Visually, the marks coincide in the verbal element 'smartproxy' which is identically contained in both marks, and it is the dominant and distinctive element of the marks. The word 'SMARTPROXY' is also presented in both marks in a very similar typeface, and it is preceded by a figurative element which, although different in shape and colour, is of similar size. Overall, I consider that the marks are visually similar to a high degree.

### **Aural similarity**

53. Aurally, the verbal element 'smartproxy' will be identically articulated in both marks, whilst the devices will not be articulated. The marks are aurally identical.

### **Conceptual similarity**

54. Conceptually, the devices will not convey any distinctive concept, as they will be perceived, at most, as a stylised letter 'S' standing for the first letter of 'smartproxy' (in the application) or as three trapezoid shapes (in the earlier IR). However, I think it is unlikely that the average consumer will attempt to conceptualise the figurative elements of the marks; rather, it will perceive them as abstract or geometrical shapes with an ornamental function.

55. As regards the identical verbal element ‘smartproxy’, it is likely to be perceived in both marks as being made up of the two words ‘smart’ and ‘proxy’. I have already set out the meaning of the word ‘smart’. The word ‘proxy’ will be perceived as referring to proxy servers and proxy networks for the goods and services concerned with proxy servers and proxy networks; for the remaining goods, it can be perceived either as such, or as having the other meaning of “*a proxy is a person or thing that is acting or being used in the place of someone or something else.*” In any event, whatever is the meaning the average consumer will attribute to the word ‘proxy’ and to the totality ‘smartproxy’, it is the same in both marks. The marks are conceptually identical.

### **Distinctive character of the earlier mark**

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

“22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C-108/97 and C-109/97 *Windsurfing Chiemsee v Huber and Attenberger* [1999] ECR I-0000, paragraph 49).

23. In making that assessment, account should be taken, in particular, of the inherent characteristics of the mark, including the fact that it does or does not contain an element descriptive of the goods or services for which it has been registered; the market share held by the mark; how intensive, geographically widespread and long-standing use of the mark has been; the amount invested by the undertaking in promoting the mark; the proportion of the relevant section of the public which, because of the mark, identifies the goods or services as originating from a particular undertaking; and statements from chambers of commerce and industry or other trade and professional associations (see *Windsurfing Chiemsee*, paragraph 51).”

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

58. The earlier IR consists of the word 'smartproxy' and a figurative element. As it will be recalled, I have concluded that most of the goods and services listed in the opponent's specification do not relate to proxy servers or proxy networks, and the earlier mark is distinctive to a normal (medium) degree in relation to these goods and services.

59. Admittedly, four terms in the IR's specification relate to proxy servers and proxy networks, however, bearing in mind what I have said about there being no evidence that proxy servers and proxy networks can be, or are normally referred to, as 'smart' or that they use artificial intelligence, I consider that the combination 'smartproxy' is distinctive to a low to medium degree in relation to these goods and services.

60. I will now turn to consider whether the evidence filed by the opponent is sufficient to establish that the earlier IR had acquired an enhanced degree of distinctiveness at the relevant date of 10 November 2023 (i.e. the filing date of the contested application).

61. The opponent is a Lithuanian company incorporated in 2021.<sup>3</sup> Mr Savickas says that the opponent is a web-data gathering solutions and proxy provider with over 65 million IPs (internet protocol addresses) worldwide, including in the UK. However, it is not clear whether the over 65 million IPs translates to over 65 million consumers and/or what proportion of the over 65 million IPs (or of the opponent's consumers) are from the UK.

62. The opponent is said to operate under the brands 'SMARTPROXY' and 'SMARTDAILI'. It acquired the brand 'SMARTPROXY' and the domain names associated with the brand, 'smartproxy.com' and 'smartdaili-china.com', on 3 October

---

<sup>3</sup> VS1

2022 from webmission Pte. Ltd ("Webmission"), a company based in Singapore. Examples of webpages from smartproxy.com are exhibited in evidence – whilst they show that the opponent targets the UK market, they are dated after the relevant date, so are of limited assistance.<sup>4</sup> Mr Savickas says that the terms of the acquisition were set out in an agreement described as a "purchase asset agreement" dated 3 October 2022 ("the Agreement"). Under the Agreement, all of Webmission's assets, which included its intellectual property and related goodwill, were bought by the opponent. A copy of the Agreement is exhibited.<sup>5</sup>

63. Mr Savickas says that he believes the mark 'SMARTPROXY' had been used in the UK and elsewhere since at least 2018 in relation to proxy and web data gathering solutions. Copies of webpages from smartproxy.com dated between 2019 and 2022 (obtained using the Wayback machine)<sup>6</sup> show that the UK is the opponent's second top country market with 315K + IPs (after the USA with 1.2 million, but before Canada with 131K). Sample invoices dated on various dates between 2018 and 2023 issued by the opponent to UK companies based in London, Somerset, Cambridgeshire, Oldham, Lancashire, Surrey, Manchester, Midlothian, and Derby are exhibited; most of the invoices indicate that the customers' subscription plans are based on monthly payments.

64. In terms of turnover, Mr Savickas says that UK sales figures for the period of July 2018 to November 2023 are at least \$6.9 million (USD) with the following breakdown being given:<sup>7</sup>

---

<sup>4</sup> VS2

<sup>5</sup> VS17

<sup>6</sup> SV3

<sup>7</sup> VS5

Year	UK Sales in USD
From July 2018 – December 2018	USD 20,919.83
2019	USD 118,954.50
2020	USD 381,971.48
2021	USD 1,279,166.71
2022	USD 2,607,057.11
Up to 9 November 2023	USD 2,557,048.47
<b>TOTAL</b>	<b>USD 6,965,118.10</b>

65. In terms of advertising, Mr Savickas says that the opponent (and previously Webmission) has spent over \$293K (USD) between 2020 and 2023 on online advertising in the UK with the following breakdown being given:<sup>8</sup>

Year	UK Marketing Spend
2020	USD 45,034.51
2021	USD 49,967.87
2022	USD 77,288.41
2023	USD 120,861.29
<b>TOTAL</b>	<b>USD 293,152.08</b>

66. The opponent has also won Proxyway awards in various categories relating to its services dating to at least 2019. Copies of webpages listing the awards are provided.<sup>9</sup> However, there is nothing to establish that they are UK awards; on the contrary, I have spotted a number of references to prices in US dollars which suggest that they are US rather UK awards.

67. The rest of the evidence is about the opponent's use of the mark 'smartproxy' on social media, however, most of it is dated 17 June 2024 and, therefore, post-dates the relevant date.

68. I now draw the threads together.

---

<sup>8</sup> VS8

<sup>9</sup> VS9

69. Whilst the evidence is capable of establishing that the opponent (and its predecessor in title) have used the mark 'smartproxy' continuously in the UK since 2018 up to the relevant date in relation to the provision of web-data gathering solutions and a network of proxy servers, the main problem with the opponent's evidence is that it is not possible to contextualise the turnover figures; this inadequacy means first, that it is not possible to know what proportion of the market for the goods and services concerned is owned by the opponent and whether the evidence that the UK is the opponent's second top market effectively translates in a non-negligible share of the relevant UK market. Second, there is no indication as to how the turnover is generated and the figures given are not broken down by goods or services; consequently, whilst the provision of proxy servers appears to be the opponent's main business, it is not possible to say what proportion of the turnover derives from these services. In this connection, I bear in mind the comments of Professor Phillip Johnson sitting as the Appointed Person in EROS BODYGLIDE (O/0984/25), where he stated:

"26. Where global sales figures are provided for multiple goods sold under one trade mark this is not going to be evidence of use for any of those goods. The sales could all be in relation to good A or all in relation to good B or a split between the two. This is why particularisation is so important as without it the figures provide no evidence of use for either good A or good B. The same applies where the same good is sold under trade mark A and trade mark B."

70. For all of these reasons, I am unable to conclude that the distinctiveness of the earlier IR has been enhanced to any material extent.

### **Likelihood of confusion**

71. There is no scientific formula to apply in determining whether there is a likelihood of confusion; rather, it is a global assessment where a number of factors need to be borne in mind, including that a lesser degree of similarity between the respective marks may be offset by a greater degree of similarity between the respective goods and services and vice versa. I must keep in mind the distinctive character of the earlier mark, the average consumer for the goods and services and the nature of the purchasing process. I must be alive to the fact that the average consumer rarely has

the opportunity to make direct comparisons between marks and must instead rely upon the imperfect picture of them that they have retained in their mind.

72. Earlier in this decision I found that:

- The marks are visually similar to a high degree, and aurally and conceptually identical.
- Most of the competing goods and services are identical, whilst some are similar to a medium degree.
- The average consumer will select the goods and services visually (although aural considerations cannot be discounted completely) with a medium or above medium degree of attention.
- The earlier IR is inherently distinctive to a low to medium (in relation to goods and services relating to proxy servers and proxy networks) or medium degree (in relation to the remaining goods and services). The evidence filed by the opponent does not establish that the distinctiveness of the earlier mark has been enhanced through use to any material extent.

73. Bearing in mind all of the above, I consider that given the high degree of visual similarity and the aural and conceptual identity between the marks, the identity or medium degree of similarity between the goods and services, the reduced distinctiveness of the differentiating figurative elements, and the medium (or low to medium) degree of distinctive character of the earlier IR, consumers will directly confuse the applicant's mark with the opponent's earlier IR when encountering it on identical or similar goods and services. As regard the fact that the average consumer is likely to display a higher than medium level of attention for some of the goods/services, the fact remains that average consumers only rarely have the chance to compare the marks directly and must therefore rely on their imperfect recollection of them. Alternatively, there is a risk of indirect confusion, whereby the inclusion of a different figurative element before the identical dominant and distinctive element

'smartproxy' in the application will be seen as an alternative mark used by the opponent under the same brand name.

74. There is a likelihood of confusion. Accordingly, the opposition under Section 5(2)(b) succeeds in its entirety.

### **Section 5(3)**

75. Section 5(3) states:

“(3) 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”.

76. In *General Motors*, Case C-375/97, the CJEU held that:

“25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.

26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.

27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.

28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

77. In *Spirit Energy Limited v Spirit Solar Limited* - BL O/034/20 – Mr Phillip Johnson, as the Appointed Person, held that the opponent had not established a qualifying reputation for Section 5(3) purposes. The opponent traded in solar energy equipment and installations and had used its mark in relation to such goods/services for 7 years prior to the relevant date in the proceedings. During the 5 years prior to the relevant date, it had installed solar energy generation equipment in over 1000 domestic homes and made over 700 installations for commercial customers. These sales had generated nearly £13m in income. However, there was limited evidence of advertising and promotion, and the amount spent promoting the mark had fallen in the years leading up to the relevant date. Additionally, the mark had only been used in Southeast England and the Midlands. Taking all the relevant factors into account, the Appointed Person therefore decided that such use of the mark was not sufficient to establish a reputation for the purposes of Section 5(3).

78. In *GNAT and Company Ltd & Anor v West Lake East Ltd & Anor* [2022] EWHC 319, HHJ Hacon held that the claimants had not established a qualifying reputation for the purposes of Section 10(3) – this is the equivalent of Section 5(3) for infringement proceedings. The claimants had operated a restaurant at the Dorchester Hotel in Park Lane for around four years prior to the relevant date. Turnover was between £5m and £6m each year, which equated to approximately 70,000 customers served per year; advertising spend had varied significantly, from around £5,000 at its lowest to over £47,000. The claimants had provided dining vouchers worth about £17,000 to charities and there had been some press coverage and awards but only 7 such articles appear to have been in evidence. The judge stated that, although it was likely that a spread of individuals across the UK would have read the articles or been made aware of the awards, the claimants' market share was tiny relative to the UK restaurant business as a whole. The advertising sums were also very small in that context and the business was in relation to a single restaurant. The judge concluded that the evidence satisfied

the 'geographic' aspect of the test but not the 'economic' one, and that the use was not sufficient to establish that the claimants' mark had a reputation.

79. Further examples of insufficient reputation are *Supreme Petfoods Limited v Henry Bell & Co (Grantham) Limited*, [2015] EWHC 256 (Ch) and *Jadebay and Anor v Clarke-Coles Limited* [2017] EWHC 1400 (IPEC).

80. The above are examples showing that turnover in millions of pounds does not necessarily result in reputation being established. While the above examples are not on all fours with the present case, I consider that their outcomes are equally applicable here. As it will be recalled, there is no indication of market share, and the turnover figures are not broken down by goods and services. In addition, the use is not longstanding, the applicant having traded under the mark in the UK for less than six years before the relevant date, and the turnover generated in the first three years is relatively low. Lastly, it is common for findings of reputation to mirror those for enhanced distinctiveness, especially where the assessment is based on the same evidence, same relevant territory and aimed at the same relevant date (i.e. the filing date of the application). Therefore, taking into account what I have said at paragraphs 61-70 above, I find that the opponent's evidence is not sufficiently strong to establish a qualifying reputation for the purposes of Section 5(3).

### **Section 5(4)(a)**

81. 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.”

82. 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.”

83. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, Her Honour Judge Melissa Clarke, sitting as a deputy Judge of the High Court, conveniently summarised the essential requirements of the law of passing off as follows:

“55. The elements necessary to reach a finding of passing off are the ‘classical trinity’ of that tort as described by Lord Oliver in the *Jif Lemon* case (*Reckitt & Colman Product v Borden* [1990] 1 WLR 491 HL, [1990] RPC 341, HL), namely goodwill or reputation; misrepresentation leading to deception or a likelihood of deception; and damage resulting from the misrepresentation. The burden is on the Claimants to satisfy me of all three limbs.

56. In relation to deception, the court must assess whether “a substantial number” of the Claimants’ customers or potential customers are deceived, but it is not necessary to show that all or even most of them are deceived (per *Interflora Inc v Marks and Spencer Plc* [2012] EWCA Civ 1501, [2013] FSR 21).”

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

“Establishing a likelihood of deception generally requires the presence of two factual elements:

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

While it is helpful to think of these two factual elements as two successive hurdles which the claimant must surmount, consideration of these two aspects cannot be completely separated from each other.

The question whether deception is likely is one for the court, which will have regard to:

- (a) the nature and extent of the reputation relied upon,
- (b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;
- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”

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

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

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

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

86. The applicant did not file any evidence of use that could determine an earlier relevant date. Accordingly, the relevant date in these proceedings remains 10 November 2023.

## **Goodwill**

87. The requirement for a finding of goodwill is considerably less onerous than that of reputation and enhanced distinctiveness. However, there are still too many gaps in the evidence as it is not clear from what type of goods/services the turnover has been generated. In this connection, I remind myself that the turnover figures are not broken down by goods or services and that the opponent claimed use of the unregistered sign ‘SMARTPROXY’ in relation to *software, computer, technology, telecommunication and network goods and services*; these are terms which cover an indistinct and very wide range of goods and services. But even if I were to find that the opponent's goodwill relates to the provision of proxy server services – these appear to be the main

services provided by the opponent – as a subcategory of the goods and services claimed, the opponent could not be more successful under this ground than it has been under Section 5(2)(b), simply because it could only rely of a very narrow category of services.

### **Section 3(6)**

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

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

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

“(i) [...]

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

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

(iv) While, in accordance with its usual meaning in everyday language, the concept of bad faith presupposes the presence of a dishonest state of mind or intention, the concept must also be understood in the context of trade mark law, which involves the use of marks in the course of trade. Further, it must have regard to the objectives of the [...] law of trade marks, namely the establishment and functioning of [...] a system of undistorted competition in which each

undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable consumers, without any possibility of confusion, to distinguish those goods or services from those which have a different origin (*Lindt*, para 45; [*Koton Mağazacılık Tekstil Sanayi ve Ticaret AS v European Union Intellectual Property Office (EUIPO)* (C-104/18) EU:C:2019:724 (“*Koton*”)], para 45).

(v) Consequently, the objection will be made out where the proprietor made the application for registration, not with the aim of engaging fairly in competition but either (a) with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties; or (b) with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, and in particular the essential function of indicating origin (*Koton*, para 46; *Sky CJEU*, para 75).

(vi) The intention of the applicant is a subjective matter, but it must be capable of being established objectively by the competent administrative or judicial authorities having regard to the objective circumstances of the case (*[Hasbro Inc v EUIPO, Kreativni Dogaaji d.o.o. (intervening)* (Case T-663/19) EU:T:2021:211 (“*Hasbro*”)], paras 39 and 40; *Koton*, para 47).

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

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

(ix) The applicant for a trade mark is not required to indicate or to know precisely when the application is filed or examined, the use that will be made of it (*Sky*

*CJEU*, para 76; [*AS v Deutsches Patent-und Markenamt* (C-541/18) EU:C:2019:725], para 22).

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

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

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

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

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

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

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

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

153. Against this background, the essence of the objection that an application to register a mark was made in bad faith may be understood: it is that the motive or intention of the applicant was to engage in conduct that departed from accepted principles of ethical behaviour or honest commercial practices having regard to the purposes of the trade mark system which I have described.

Whether the conduct was undertaken with that motive or intention and did indeed depart from such ethical behaviour or honest commercial practices must be assessed having regard to all the objective circumstances of the case: see, for example, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AS v European Union Intellectual Property Office (EUIPO)* (C-104/18) EU:C:2019:724 ("*Koton*"), paras 46 and 47 [...]."

91. 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?

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

93. The evidence of bad faith is as follows:

94. Prior to the relevant date of 10 November 2023, the opponent had applied and/or obtained registration for a number of trade marks for "SMARTPROXY", including in Canada, the US, the EU and through WIPO in several countries.<sup>10</sup> Further, the opponent is associated with Tianjin Smart Panda Technologies Ltd and Smartproxies

---

<sup>10</sup> VS14

Inc.; these are companies belonging to the same group as the opponent's, which are authorised to use the mark 'SMARTPROXY' in China, the US and elsewhere.<sup>11</sup>

95. Mr Savickas states that the timeline of the events leading to alleged bad faith are as follows:

- (a) 2018- The domain name "smartproxy.com" was registered in 2018<sup>12</sup> by Spicenet LLC. This was transferred to Webmission in February 2022 and bought by the opponent in October 2022.
- (b) 2018 - The use of the mark 'SMARTPROXY' commenced in the UK and the EU, in relation to the proxy server industry. It also commenced in China in the same year.
- (c) 22 November 2021 - the applicant filed two trade mark applications for 'SMARTPROXY' in China, one in class 9 and one in class 42. Copies of records from the Chinese Trade Mark Office are exhibited<sup>13</sup> showing multiple applications for 'SMARTPROXY' in the applicant's name, the earliest of which are dated 22 November 2021.
- (d) March 2022 – The domain name "smartdaili.cn" was registered by Tianjin Smart Panda Technology Co., Ltd. a company associated with the opponent.<sup>14</sup> Copy of a screenshot from WHOIS is exhibited; it shows the domain name's registration date as 8 March 2022; the owner is not identified, although the first part of the registrant contact email is 'smartpandatechnologies'.<sup>15</sup> Mr Savickas says that this domain name was required in order for the opponent and Tianjin Smart Panda Technology Co., Ltd to use an alternative name under which to trade in China, whilst the invalidation actions against the applicant's marks 'smartproxy' are ongoing.

---

<sup>11</sup> VS15

<sup>12</sup> VS18

<sup>13</sup> VS19

<sup>14</sup> SV15

<sup>15</sup> VS20

- (e) 23 August 2022 - The applicant registered the domain name "smarproxy.cn". Copy of a screenshot from WHOIS is exhibited; it shows the domain name's registration date as 23 August 2022;<sup>16</sup> the owner is not identified, although the latter part of the registrant contact email is 'shengjunapp'.
- (f) 17 August 2022 - Webmission filed the first US trade mark application which registered on 23 January 2023 (US trade mark registration no. 7290505 for SMARTPROXY in in Classes 9, 38 and 42). This application was transferred to the opponent by way of assignment on 14 November 2022 and was subsequently subject to a cancellation action filed by the applicant on 8 March 2024, claiming prior rights from its USTM application nos. 98316354, 98316414, and 98316424. This cancellation action was subsequently withdrawn on 13 May 2024 after the validity of the facts and the authenticity of the evidence were challenged following the opponent's Motion for Sanctions against Petitioner under Rule 11 of the Federal Rules of Civil Procedure, dated 6 May 2024, suspecting falsification of documents submitted in proceedings. The opponent also filed Letters of Protests against the applicant's trade mark application nos. 98316354, 98316414, 98316424, 98439624, 98439617 and 98439603. In the Letters of Protest, the applicant was accused by the opponent of providing false information and evidence. Following such accusations, the applicant abandoned its own trade mark applications for 'SMARTPROXY'. A copy of the cancellation action together with a copy of the Motion for Sanctions is exhibited along with copies of Letters of Protest.<sup>17</sup> The latter state as follows: *"The protestor (i.e. the opponent) protest the registration of the trade mark/service mark identified above for the following reasons: the mark in the protested application is not in use in commerce, for example, the specimen of use in the application record was digitally altered or fabricated"*. Whilst it is not explained what the "letters of protest" are and what their function is, the text contained within them suggests that they are used in the USPTO as evidence about the registrability of a trademark in a pending application. However, there

---

<sup>16</sup> VS21

<sup>17</sup> VS22 and VS16

is no evidence as to whether the letters of protest resulted in any action being taken by the USPTO.

- (g) 9 August 2022 - Webmission became aware of the applications (I assume including the application at issue in these proceedings) and domain name registration and issued a cease-and-desist letter claiming unregistered rights. No action was taken by the applicant.
- (h) 8 September 2022 – the opponent filed a second US trade mark application which was registered on 18 June 2024 for the mark ‘SMARTPROXY’ in classes 9, 38 and 42. This application was opposed by the applicant on 21 December 2023 and the opposition was withdrawn on 13 May 2024 following the opponent’s Motion for Sanctions against Petitioner under Rule 11 of the Federal Rules of Civil Procedure, dated 6 May 2024. A copy of the applicant’s opposition along with a copy of the Motion for Sanctions is exhibited.<sup>18</sup>
- (i) 11 January 2023 – The opponent applied to register the alternative brand name ‘smartdaili’ in China and filed 3 three trade mark applications in classes 9, 38 and 42.
- (j) 19 January 2023 - Trade mark invalidation actions against the applicant's Chinese trade mark applications referred at point (c) above were filed by Smartproxies Inc., a company based in the US and associated with the opponent. These applications are still ongoing but Mr Savickas says that there are other applications filed by the applicant for marks incorporating the brands ‘SMARTPOXY’ and ‘SMARTDAILI’ and provides extracts from TMview showing other applications by the applicant some of which are categorised as “ended”.<sup>19</sup>
- (k) 11 May 2023 – The applicant filed its first trade mark application outside of China, namely EUTM No. 018873401 for SMARTPROXY in Classes 9 and 42, which was later refused by the EUIPO. Mr Savickas says that at the date of the

---

<sup>18</sup> VS23

<sup>19</sup> VS25

witness statement the applicant had filed at least 31 applications for various marks 'SMARTPROXY' or 'smartdaili', which are identical or highly similar marks to those of the opponent in an attempt to block the opponent from expanding its business worldwide.

(l) 12 June 2023 and 31 August 2023 – the opponent filed three additional trade mark applications in China, which are currently subject to oppositions by the applicant; these opposition proceedings are ongoing.

(m) 17 November 2023 – The applicant purchased a domain name "smartproxy.org".<sup>20</sup>

(n) Lastly, Mr Savickas provides a summary of active opposition and invalidity actions between the parties in China, the EUIPO, Brazil, Indonesia and the USA.<sup>21</sup>

96. This is the totality of the evidence filed by the opponent. The opponent's case is that *"the applicant has embarked not only upon direct competition with [the opponent] but also is actively working to destroy the opponent's brand, reputation and its goodwill. The opponent has so far faced a number of challenges by the applicant and is currently fighting over 12 various actions against the applicant worldwide"*.

97. The most the evidence shows is that the parties are involved in several disputes around the world involving trade marks applications and registrations for the brand 'smartproxy'. The other brand name both parties filed trade mark applications for is 'smartdaili'. It is true that the evidence also shows that the opponent's predecessor in title started using the trade mark 'smartproxy' in the UK as well as in other territories since 2018 (which is prior to the relevant date) and that the opponent's business has grown over the years to generate nearly USD 7million of turnover between 2018 and 2023. However, there is no evidence about how the business has performed in other countries, including China which is one of the countries where the opponent claims it

---

<sup>20</sup> SV26

<sup>21</sup> SV24

has used the mark, and in which there have been, and still are, ongoing disputes between the parties. Admittedly, the lack of details about use in China and in other territories where the parties have been (or still are) involved in legal disputes over the mark 'smartproxy' might be down to the opponent having acquired the business in October 2022, or wishing to focus on UK use (given that the current proceedings are UK proceedings). However, without these details, it is difficult to build a clear picture about who is the senior (and/or legitimate) user of the mark and/or the originator of the brand name 'smartproxy' (and 'smartdaili'). The evidence in fact indicates that it was the applicant who initially applied for the trade mark 'smartproxy' in China. It also looks like the applicant was the owner of earlier rights in the US, as it used earlier trade mark rights to cancel the registration by the opponent of US trade marks for 'smartproxy'. Admittedly, some of these events are after the relevant date, however, they can shed light on the applicant's intention at the relevant date. Mr Savickas also says that the opponent filed Motions for Sanctions against the applicant under Rule 11 of the Federal Rules of Civil Procedure suspecting falsification of documents in US proceedings as well as letters of protests after which the applicant withdrew the oppositions. However, aside from the fact that these are events that postdate the relevant date, the withdrawal by the applicant of oppositions against the opponent's trade mark applications is neither an admission of bad faith nor an indication. Likewise, it is not an admission that the allegations made by the applicant were true. Lastly, there is no evidence of any of the disputes between the parties having been resolved in the opponent's favour, and the claim that the applicant has engaged in direct competition with the opponent and is trying to destroy its business is wholly unsupported. In this connection, trade mark competition and trading competition is not inherently bad faith, as the applicant might well intend to use the mark 'smartproxy' in a genuine manner in the marketplace whilst feeling that it is legitimately entitled to use the brand. In *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others* [2009] RPC 9 (approved by the COA in [2010] RPC 16), Arnold J. (as he then was) stated that:

"189. In my judgment it follows from the foregoing considerations that it does not constitute bad faith for a party to apply to register a Community trade mark merely because he knows that third parties are using the same mark in relation to identical goods or services, let alone where the third parties are using similar

marks and/or are using them in relation to similar goods or services. The applicant may believe that he has a superior right to registration and use of the mark. For example, it is not uncommon for prospective claimants who intend to sue a prospective defendant for passing off first to file an application for registration to strengthen their position. Even if the applicant does not believe that he has a superior right to registration and use of the mark, he may still believe that he is entitled to registration. The applicant may not intend to seek to enforce the trade mark against the third parties and/or may know or believe that the third parties would have a defence to a claim for infringement on one of the bases discussed above. In particular, the applicant may wish to secure exclusivity in the bulk of the Community while knowing that third parties have local rights in certain areas. An applicant who proceeds on the basis explicitly provided for in Article 107 can hardly be said to be abusing the Community trade mark system.”

98. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch). In this case, there is no evidence of any sinister motive behind the applicant’s conduct in the disputes with the opponent. Many companies are involved in cross-border disputes about trade marks, but that does not necessarily mean that one is acting in bad faith.

99. Although the applicant had not filed any evidence, the onus is on the opponent to establish a *prima facie* case of bad faith. In this case, the evidence is not sufficient to establish such a *prima facie* case, and the opposition based on Section 3(6) fails accordingly.

## **OUTCOME**

100. The opposition has been successful under Section 5(2)(b) and the applied for mark will be refused registration.

## **COSTS**

101. The opponent has been successful and is, therefore, entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 1/2023. In the circumstances, I award the opponent the sum of £1,100 as a contribution towards the costs of proceedings. The sum is calculated as follows:

Filing a notice of opposition and considering the counterstatement: £300

Filing evidence: £700

Official Fees: £100

Total: £1,100

102. I therefore order Shanghai Sheng Jun Information Technology Ltd. to pay UAB "Data troops" the sum of £1,100. This sum is to be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 13<sup>th</sup> day of November 2025

TERESA PINTO

For the Registrar