BL O/1105/25

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION
NO. 3575485 IN THE NAME OF NIO Co. LTD
IN RESPECT OF TRADE MARK:

BaaS

AND

AN OPPOSITION THERETO UNDER NO. 430059
BY LG ENERGY SOLUTION, LTD

Background and pleadings

1. On 6 January 2021, NIO Co. Ltd (hereinafter 'the applicant') applied to register **BaaS** as a trade mark in the United Kingdom.

2. The trade mark was filed in respect of goods in classes 9 and 37, as follows:[1]

> Class 9
> Charging devices for motor vehicles; car batteries; rechargeable batteries for powering electric vehicles; mobile power sources (rechargeable batteries); electric vehicles charging station; battery; battery for vehicle.
>
> Class 37
> Motor vehicle charging service; vehicle battery charging service; electric vehicle charging service; car maintenance and repair; vehicle service station (refuelling and maintenance); vehicle maintenance service; vehicle repair service; electric vehicle repair and maintenance; automobile body repair; custom installation of car interiors; vehicle battery replacement services; battery replacement services for electric vehicles; battery replacement services for electric vehicles; battery rental services for electric vehicles; vehicle battery rental services.

3. The application was published on 8 October 2021 and was opposed by LG Energy Solution, Ltd (hereinafter 'the opponent'). The opposition is based on sections 3(1)(b), 3(1)(c), 3(1)(d) and 3(6) of the Act. The opponent pleads the following:

4. 3(1)(b) – the applied for mark is devoid of distinctive character because:

> *"The mark applied for ('the Application') consists solely of the word 'BaaS'. The element 'aaS' is commonly accepted as an acronym/abbreviation for 'as-a-service' by UK consumers. In connection with the goods and services applied for under the Application, the word Baas would be perceived by*

[1] International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended)

relevant UK consumers as an acronym/abbreviation for 'battery-as-a-service'. This term is commonly used, in particular, in the Electric Vehicle (EV) industry.

The goods and services applied for under the Application are, broadly speaking, 'battery and charging products and services' in Classes 9 and 37. When the term Baas is used/registered in relation to such goods and services, the sign does not have the capacity to identify such goods and services as coming from a single entity or trade source. The term Baas merely serves to designate to consumers the characteristics of these goods and services, namely that they are charging and battery-related products and services, and/or have the intended purpose and/or qualities of charging and battery-related goods and services."

5. 3(1)(c) – the applied for mark consists exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or rendering of services, or other characteristics of goods or services because:

"The term Baas (and therefore the Application) would be interpreted by the relevant average consumer as an indication of a characteristic and/or the kind and/or quality and/or intended purpose of the goods and services, namely that the battery and charging goods and services covered by the Application relate to the business of battery-as-a-service (i.e. "BaaS"). The term Baas must be kept free for use by all traders involved in the business of battery-as-a-service (and related goods/services)."

6. 3(1)(d) – the applied for mark consists exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade because:

"When the mark Baas is used in relation to the goods and services applied for, namely battery and charging goods and services, the term will be perceived by the target public as an abbreviation and/or acronym of

"battery-as-a-service". The term "BaaS" is in common use in the Electric Vehicle (EV) trade sector, including for the goods and services applied for in Classes 9 and 37, and has been at, and as at a time prior to, the priority dates of the Application."

7. 3(6) The application was made in bad faith because:

"It is inconceivable that the Applicant was not aware at the time of filing the Application (as well as at its priority dates) both that 'aaS' was an established abbreviation/acronym suffix for 'as-a-service', and that in the relevant industry and for the goods/services applied for, 'BaaS' was an established abbreviation/acronym for 'battery-as-a-service'. Indeed, the term 'BaaS' is not inherently distinctive, but is instead an accepted and common acronym/abbreviation for 'battery-as-a-service', which is used by consumers and traders in particular in the EV industry (and was so used as at, and prior to, the priority dates of the Application).

It is inconceivable that the Applicant was not aware at the time of filing the Application (as well as at its priority dates) that multiple traders (including but not limited to the Opponent) were intending to use and/or were already using the term "BaaS" in relation to goods and services identical to the Class 9 and 37 goods and services applied for. With this knowledge the Applicant has sought to register the Application to gain a tactical advantage and without any legitimate ability to claim a monopoly in the plain, one-word term 'BaaS' as a distinctive sign capable of designating trade origin. Upon registration, the Applicant will have the ability to, and may, seek to prevent third parties from using or registering the mark Baas (or similar marks), which would be detrimental to consumers and to other traders, including the Opponent."

8. The applicant filed a counterstatement in which it denies all of the grounds of opposition.

9. Both parties filed evidence. The opponent filed a skeleton argument and was represented at the hearing by Matthew Dick of D Young & Co LLP. The applicant was represented by Bristows LLP and filed submissions in lieu of attendance at the hearing.

Opponent's evidence

A witness statement by Matthew James Dick and exhibits MJD1 to MJD8

10. Mr Dick is a solicitor at the opponent's representative. His evidence takes the form of prints taken from the internet intended to show 'aaS' to mean 'as-a-Service', 'B' to mean battery and BaaS to mean battery or batteries as a service. He also provides evidence of refusals for trade marks containing 'aaS' filed at the UK Intellectual Property Office (IPO) and EU Intellectual Property Office (EUIPO). His statement is dated 30 May 2022.

Applicant's evidence

A witness statement by Sarah Husslein and exhibits SH1 to SH10

11. Ms Husslein is a trade mark attorney at the applicant's representative. Her evidence comprises internet searches for BaaS, prints of 'aaS' trade marks from the UK register, and an article about the applicant and its BaaS launch. Ms Husslein's statement is dated 21 December 2022.

Opponent's evidence in reply

A second witness statement by Matthew James Dick and exhibits MJD9 to MJD12

12. Mr Dick's second statement exhibits further examples of BaaS being adopted by those in the electric vehicle (EV) industry. He also provides articles concerning the 'Battery as a Service' model. In addition, there are further examples of 'aaS' to mean 'as a Service' and additional examples of 'battery' being abbreviated to 'B'. The witness statement also introduces EUIPO decisions concerning the applicant's EU application for the same trade mark as is at issue here. Mr Dick's second statement is dated 25 March 2024.

The effect of EU law

13. 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 that predate the UK's withdrawal from the EU.

DECISION

14. Section 3(1) of the Act is as follows:

> "3. - (1) The following shall not be registered –
>
> (a) ...
>
> (b) trade marks which are devoid of any distinctive character,
>
> (c) trade marks which consist exclusively of signs or indications which may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or of rendering of services, or other characteristics of goods or services,
>
> (d) trade marks which consist exclusively of signs or indications which have become customary in the current language or in the bona fide and established practices of the trade:
>
> Provided that, a trade mark shall not be refused registration by virtue of paragraph (b), (c) or (d) above if, before the date of application for registration, it has in fact acquired a distinctive character as a result of the use made of it."

15. It must be borne in mind that these grounds are independent and have different general interests. It is possible, for example, for a mark not to fall foul of section 3(1)(c), but still be objectionable under section 3(1)(d) and/or 3(1)(b) of the Act. In *SAT.1 SatellitenFernsehen GmbH v OHIM*[2], the Court of Justice of the European Union ('CJEU') stated that:

> "25. […] it is important to observe that each of the grounds for refusal to register listed in Article 7(1) of the regulation is independent of the others and requires separate examination. Moreover, it is appropriate to interpret those grounds for refusal in the light of the general interest which underlies each of them. The general interest to be taken into consideration when examining each of those grounds for refusal may or even must reflect different considerations according to the ground for refusal in question (Joined Cases C-456/01 P and C-457/01 *P Henkel v OHIM* [2004] ECR I-0000, paragraphs 45 and 46)."

16. The opponent submits that the relevant public for the purposes of this assessment includes consumers, participants and traders in the transportation, energy, battery, charging and EV industries. For the most part, I agree, though transportation at large is too wide a category. The relevant public from whose perspective the opposition under these grounds must be assessed is members of the general public who own or are interested in EVs, as well as professionals dealing in, and responsible for, the upkeep of EVs.

17. The relevant dates for the assessment are 20 August 2020 for class 37 and 3 September 2020 for class 9.[3]

The opposition under 3(1)(c)

18. I will begin with this ground, as it goes to the heart of the opponent's case. The case law under section 3(1)(c) (corresponding to article 7(1)(c) of the EUTM

[2] Case C-329/02 P

[3] This is due to partial priority claimed from Chinese applications 49464510, 49463065 and 49095431

Regulation, formerly article 7(1)(c) of the CTM Regulation) was set out by Arnold J. (as he then was) in *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2012] EWHC 3074 (Ch) as follows:

> "91. The principles to be applied under art.7(1)(c) of the CTM Regulation were conveniently summarised by the CJEU in *Agencja Wydawnicza Technopol sp. z o.o. v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-51/10 P) [2011] E.T.M.R. 34 as follows:
>
> > "33. A sign which, in relation to the goods or services for which its registration as a mark is applied for, has descriptive character for the purposes of Article 7(1)(c) of Regulation No 40/94 is – save where Article 7(3) applies – devoid of any distinctive character as regards those goods or services (as regards Article 3 of First Council Directive 89/104/EEC of 21 December 1988 to approximate the laws of the Member States relating to trade marks (OJ 1989 L 40, p. 1), see, by analogy, [2004] ECR I-1699, paragraph 19; as regards Article 7 of Regulation No 40/94, see *Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM) v Wm Wrigley Jr Co* (C-191/01 P) [2004] 1 W.L.R. 1728 [2003] E.C.R. I-12447; [2004] E.T.M.R. 9; [2004] R.P.C. 18, paragraph 30, and the order in *Streamserve v OHIM* (C-150/02 P) [2004] E.C.R. I-1461, paragraph 24).
>
> > 36. … due account must be taken of the objective pursued by Article 7(1)(c) of Regulation No 40/94. Each of the grounds for refusal listed in Article 7(1) must be interpreted in the light of the general interest underlying it (see, inter alia, *Henkel KGaA v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* (C-456/01 P) [2004] E.C.R. I-5089; [2005] E.T.M.R. 44, paragraph 45, and *Lego Juris v OHIM* (C-48/09 P), paragraph 43).

37. The general interest underlying Article 7(1)(c) of Regulation No 40/94 is that of ensuring that descriptive signs relating to one or more characteristics of the goods or services in respect of which registration as a mark is sought may be freely used by all traders offering such goods or services (see, to that effect, *OHIM v Wrigley*, paragraph 31 and the case-law cited).

38. With a view to ensuring that that objective of free use is fully met, the Court has stated that, in order for OHIM to refuse to register a sign on the basis of Article 7(1)(c) of Regulation No 40/94, it is not necessary that the sign in question actually be in use at the time of the application for registration in a way that is descriptive. It is sufficient that the sign could be used for such purposes (*OHIM v Wrigley*, paragraph 32; *Campina Melkunie*, paragraph 38; and the order of 5 February 2010 in *Mergel and Others v OHIM* (C-80/09 P), paragraph 37).

39. By the same token, the Court has stated that the application of that ground for refusal does not depend on there being a real, current or serious need to leave a sign or indication free and that it is therefore of no relevance to know the number of competitors who have an interest, or who might have an interest, in using the sign in question (*Joined Cases C-108/97 and C-109/97 Windsurfing Chiemsee [1999] ECR I-2779*, paragraph 35, and *Case C-363/99 Koninklijke KPN Nederland [2004] ECR I-1619*, paragraph 38). It is, furthermore, irrelevant whether there are other, more usual, signs than that at issue for designating the same characteristics of the goods or services referred to in the application for registration (*Koninklijke KPN Nederland*, paragraph 57).

And

46. As was pointed out in paragraph 33 above, the descriptive signs referred to in Article 7(1)(c) of Regulation No 40/94 are also devoid of

any distinctive character for the purposes of Article 7(1)(b) of that regulation. Conversely, a sign may be devoid of distinctive character for the purposes of Article 7(1)(b) for reasons other than the fact that it may be descriptive (see, with regard to the identical provision laid down in Article 3 of Directive 89/104, *Koninklijke KPN Nederland,* paragraph 86, and *Campina Melkunie*, paragraph 19).

47. There is therefore a measure of overlap between the scope of Article 7(1)(b) of Regulation No 40/94 and the scope of Article 7(1)(c) of that regulation (see, by analogy, *Koninklijke KPN Nederland*, paragraph 67), Article 7(1)(b) being distinguished from Article 7(1)(c) in that it covers all the circumstances in which a sign is not capable of distinguishing the goods or services of one undertaking from those of other undertakings.

48. In those circumstances, it is important for the correct application of Article 7(1) of Regulation No 40/94 to ensure that the ground for refusal set out in Article 7(1)(c) of that regulation duly continues to be applied only to the situations specifically covered by that ground for refusal.

49. The situations specifically covered by Article 7(1)(c) of Regulation No.40/94 are those in which the sign in respect of which registration as a mark is sought is capable of designating a ‘characteristic’ of the goods or services referred to in the application. By using, in Article 7(1)(c) of Regulation No 40/94, the terms ‘the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service, or other characteristics of the goods or service’, the legislature made it clear, first, that the kind, quality, quantity, intended purpose, value, geographical origin or the time of production of the goods or of rendering of the service must all be regarded as characteristics of goods or services and, secondly, that that list is not exhaustive, since any other characteristics of goods or services may also be taken into account.

50. The fact that the legislature chose to use the word 'characteristic' highlights the fact that the signs referred to in Article 7(1)(c) of Regulation No 40/94 are merely those which serve to designate a property, easily recognisable by the relevant class of persons, of the goods or the services in respect of which registration is sought. As the Court has pointed out, a sign can be refused registration on the basis of Article 7(1)(c) of Regulation No 40/94 only if it is reasonable to believe that it will actually be recognised by the relevant class of persons as a description of one of those characteristics (see, by analogy, as regards the identical provision laid down in Article 3 of Directive 89/104, *Windsurfing Chiemsee*, paragraph 31, and *Koninklijke KPN Nederland*, paragraph 56)."

92. In addition, a sign is caught by the exclusion from registration in art.7(1)(c) if at least one of its possible meanings designates a characteristic of the goods or services concerned: see *OHIM v Wrigley* [2003] E.C.R. I-12447 at [32] and *Koninklijke KPN Nederland NV v Benelux-Merkenbureau* (C-363/99 [2004] E.C.R. I-1619; [2004] E.T.M.R. 57 at [97]."

19. In its submissions in lieu of attendance at the hearing, the applicant submitted:

"5 .1 …it is interesting to note that the Opponent mentioned in Paragraph 6 of the Witness Statement of Matthew Dick that some documents are dated shortly after the Priority Date "showing how the term was very likely accepted and known at the relevant priority date". The Applicant submits that this approach is wrong and should be refused by the Office. Any documentation dated after the Priority Date should be dismissed from these opposition proceedings. Deciding otherwise would create a new threshold when it comes to the appreciation of the descriptiveness, lack of distinctiveness or whether the sign had become customary in the current language at the filing / priority date of a trade mark application and dismiss the possibility that the owner of the trade mark application has coined the term/sign and is being copied by third parties".

24. The opponent draws my attention to the fact that whilst the position is to be assessed at the relevant date, section 3(1)(c) is forward-looking, so it is not necessary for the contested term to already be in use.[4]

25. I agree with the opponent. It is clear from established case law (reproduced above at paragraph 18) that 3(1)(c) is forward looking, so it is not necessary for the opponent to show that a description was already in use at the relevant date, it is sufficient to show that the sign could be used and recognised as a description in the future. I remind myself of the decision of Lord Templeton in *McCain v Country Fair Foods*[5] in response to an argument that OVEN CHIPS was a protectable and hitherto unknown 'fancy' name:

> *"…although the consumer may not have been aware, and could not have been aware of what the expression meant until oven chips came on to the market, once they had come on the market he could recognise a name which is apt and appropriate to describe a product rather than a manufacturer, the product being potato chips prepared for cooking in the oven."*

26. The opponent submits:[6]

> *"24. The term "aaS" is, and was at all material times, commonly used as an abbreviation for "as a Service" or "as-a-service" in the English language in general and amongst the relevant public prior to the relevant dates. The letter "B" when taken in relation to the [goods and services] and the relevant public is, and was at all material times, commonly used as an abbreviation for "Battery". As such, the term "BaaS" consists (and did consist, at all material times) exclusively of a sign which may serve in trade to designate a characteristics, kind, quality and/or intended purpose of the [goods and services] namely that the battery and charging goods and services covered*

[4] *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc*, paragraph 91 and paragraph 38 of Technopol
[5] 1981 RPC 69
[6] See the opponent's skeleton argument, dated 12 November 2024

by the Application relate to the business of battery-as-a-service (i.e. "BaaS")."

27. The opponent relies on the decided case TRILOBULAR and says:[7]

"Terms that have a specific technical meaning can also be descriptive of characteristics of goods/services. In such cases, it does not have to be demonstrated that the meaning of the term is immediately apparent to all relevant consumers to which the goods/services may be addressed. It is sufficient that the term is meant to be used, or could be understood by part of the relevant public, as a description or characteristic of the goods/services for which protection is sought."

28. The opponent's witness, Matthew Dick, provides evidence of 'as a Service' businesses and the use of 'B' to mean battery, in the EV market.[8] I do not intend to discuss this evidence as Mr Dick has also provided articles, market reports, promotional materials and industry presentations that he says show the term BaaS was known and accepted as an acronym for Batteries as a Service before and shortly after the relevant dates.

29. The applicant relies on the fact that the application was accepted at examination stage to show that its contested mark is prima facie registerable for the goods and services at issue. This is not relevant to my assessment. I am not bound by the examiner's decision. If the examiner's word were final, there would be no reason for a party to be able to oppose a mark under absolute grounds in the opposition period following publication of that mark. These are inter partes proceedings in which the parties are entitled to an independent and unbiased assessment of their respective cases.

30. The applicant also provides prints taken from the UK trade mark register that show 32 trade marks that include the letters AAS or aaS, in order to show that these types

[7] Case T-558/14
[8] See exhibits MJD3 and MJD4

of marks are registerable. Without further detail, these examples do not help the applicant. None of these include the contested mark, BaaS. It is not clear to what extent these marks are used and none of them relate to the goods and services at issue in this case. I will, as I am required to do, assess the contested mark in the context of the goods and services for which registration is sought.

31. The remainder of the applicant's evidence takes the form of Google searches following a search for definitions of baas, BAAS and BaaS on acronym finders, abbreviation websites and Google at large. These are not helpful for several reasons:

- As already established, there is no requirement that the sign BaaS was known or used at the relevant dates.
- The searches were general and not made in the context of the relevant goods and services.
- Google searches are tailored to the user and learn previous search patterns, meaning that results that were returned and relate to the applicant NIO's battery-as-a-service offering are not surprising given that the searcher is NIO's representative.

32. The question here is whether BaaS is, in totality, a description of the goods and services, or some characteristic of the goods and services and, thus, should be kept free for the legitimate use of other traders.

33. Mr Dick states that the opponent's evidence is taken from publicly available online sources, accessed from the UK and/or referring to the UK market and showing use of the term BaaS before or shortly after the relevant dates.[9] It includes the following, which I have put in date order for ease of reference:

<u>Evidence dated before the relevant dates</u>

[9] See exhibit MJD3

- An article from 'Retail Touch Points', dated 6 December 2018, titled *'Global Technology Systems Debuts Batteries-As-A-Service'.*[10]

- An article by Roland Berger taken from eMoves360.com and dated 29 October 2021. It is titled ''Battery-as-a-Service' to improve profitability'. The second page is headed, *'About Roland Berger – Building on the experience of more than 50 battery –(material)- related global projects, we advise on 'Battery-as-a-Service' since Spring 2019.'* The UK flag is included in the list of countries below the heading.[11]

- An article by Zenobē Energy, titled, Battery Storage Deployment and Power Supply Upgrade for EV Buses, dated June 2019. It includes:

  "Battery as a Service (BaaS) offered by Zenobē and others, means batteries are financed over a contract length of 5-15 years for a fixed monthly rental. Software to monitor and manage battery performance, as well as replacement batteries, are incorporated into this monthly fee, removing financial and technology risk from the operator. With batteries representing up to a third of your electric vehicle price, it is worth looking into warranties, replacement costs, BaaS and software to avoid surprises further down the line."[12]

- An article posted on LinkedIn, 18 November 2019, titled 'Largescale battery swapping the answer to 'fast' EV charging and stable grids'. The article was written by a solar and electrical engineer at Power Capital Renewable Energy:

  "The Battery Swap Explained
  This Battery Swapping System (BSS) approach entails using the Battery as a Service (BaaS) model where EV drivers will either lease their battery packs or not own them at all..."[13]

[10] See exhibit MJD9, page 10 – this exhibit is not paginated so I have used the page number according to the page of the pdf
[11] See exhibit MJD3, page 33
[12] See exhibit MJD4, page 48
[13] See exhibit MJD3, page 64

- An article from eu-startups.com, dated 25 November 2019 and titled, *'Berlin-based Swobbee becomes Battery-as-a-Service partner of Spanish e-scooter manufacturer Torrot Electric'*. Swobbee is described as a Battery-as-a-Service provider. The article talks of the partners wanting to test and evaluate new rental offers for batteries.[14]

- An article from engineersireland.ie, dated February 2020, titled, *'Are large scale battery swapping systems the answer to fast EV charging and stable electricity grids?'* The article outlines Battery Swapping Systems (BSS) and Battery Sharing Stations (BShN). It reads: "*A proposed method of this is by using a battery sharing and BaaS model."*

- An article from NEoT Capital, dated 14 April 2020 titled, *'NEoT Green Mobility signs its first contract for Battery-as-a-Service in the UK with RATP Dev'*.[15] The contract relates to nineteen, 100% electric, double decker buses going into service in London in February 2020.

- An article from mining.com, dated 10 July 2020, is titled, *'Vale, Epiroc sign Batteries as a Service deal'. "Vale and mining gear maker Epiroc announced that they have finalised the world's first Batteries as a Service (BaaS) agreement, which is a new approach for utilizing battery technology in mining operations."*[16] A further article filed with Mr Dick's second statement from Mining Journal outlines Epiroc's business in the UK with a head office in Hemel Hempstead and satellite offices in Scotland and Ireland.[17]

- An article from strategyanalytics.com, titled *'Battery as a Service; Haven't we been here before?'*, dated 24 August 2020. The article talks about the applicant's BaaS offering, which is referred to as 'NIO Power'. Its purpose is described as, 'to offer charging and battery swapping services to owners of electric vehicles – and not just NIO ones'.[18]

[14] See exhibit MJD3, page 16
[15] See exhibit MJD3, page 1
[16] See exhibit MJD3, page 19
[17] See exhibit MJD9, page 23 – see comment above at 10
[18] See exhibit MJD3, page 61

Evidence dated after the relevant dates

- A press release from Hyundai, dated 8 September 2020, titled, *'Hyundai Motor Group, SK Innovation to Collaborate on Development of EV Battery Industry Ecosystem'. "…the Hyundai-SK cooperation aims for a virtuous cycle of battery usage known as the Battery as a Service (BaaS), which includes lease or rental service."*[19]

- The same *Hyundai-SK* collaboration is referred to in Mobility Industry Insider under the title, *'Top collaborations and research in electrification'*, September 2020. That article also notes an increase of 77.6% in the registration of battery EVs in the UK in August 2020.[20]

- An article from marketsandmarkets.com about the EV battery market published in February 2021. Under the heading 'Market Dynamics' it includes *'Opportunity: Introduction of the battery-as-a-service model (BaaS)'. "Companies are coming up with business models like battery swapping and battery-as-a-service (BaaS) that allow users to change/swap EV batteries once discharged. This saves users the time spent on recharging the batteries, thereby improving customer service satisfaction and addressing one of the main reasons consumers refrain from opting for EVs."* Also, *"…Several Chinese EV battery manufacturers, such as NIO, follow the BaaS model…".*[21]

- An article accessed via Waybackmachine showing 4 March 2021, from status-insights.com, titled, *'Discover 5 Top Battery-as-a-Service Startups': "Curious about new technological advancements in the mobility industry? Explore our analysis of 215 global Battery-as-a-Service (BaaS) startups & scaleups…".* Related topics are listed below the article title with radio buttons for 'AUTOMOTIVE', 'BATTERY', BATTERY AS A SERVICE', 'ELECTIC VEHICLE' and 'ELECTRIFICATION'.[22]

[19] See exhibit MJD3, page 30
[20] See exhibit MJD4, page 12
[21] See exhibit MJD4, page 3
[22] See exhibit MJD3, page 26

- An article published on www.grandviewresearch.com, titled, Battery-as-a-Service Market Size, Share & Trends Analysis Report, 2021–2028

  "Europe remains the major market for Battery-as-a-Service model owing to the high penetration of electric vehicles in countries such as Norway, Sweden and the Netherlands. China is working towards EV adoption."

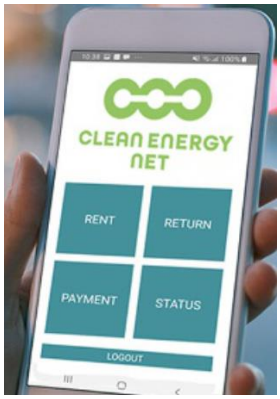
  Expansion of the BaaS model through the applicant's NIO POWER business is mentioned in the article and a list of other 'key participants' includes GTS, Epiroc, KST mobility Co Ltd and Contemporary Amperex Technology Co Ltd.

  The report also includes market estimates for the years 2016–2028, though these pages are not provided.[23]

- An article by Shoosmiths LLP, published on Lexology and dated 11 July 2022. It is titled, *'Battery-as-a-Service: an underexplored opportunity?'* It provides the following definition of BaaS: *"Battery-as-a-Service (BaaS) is an electric vehicle (EV) ownership model which, at its core, seeks to divorce the costly battery component from the vehicle."*[24]

- An article accessed from Waybackmachine, though the date is not shown on the pages of the exhibit. It is taken from CLEAN ENERGY GLOBAL (SINCE 2016). It has the heading 'SMART SUSTAINABLE BATTERIES AND BATTERY-AS-A-SERVICE (BAAS) and includes reference to its cloud solution Clean Energy Net, which allows users to manage their battery on a mobile phone.[25]

[23] See exhibit MJD10, pages 11-12
[24] See MJD10, pages 18-19
[25] See exhibit MJD9, page 25 (unpaginated)



- An article on www.embedded.com, titled, *'How battery-as-a-service can address key EV industry challenges'.* It is dated 3 August 2022. The first heading in the article is, *'The need for BaaS'*, the second is, *'Challenges for BaaS'* . It reads, "Setting up the battery-as-a-service (BaaS) framework does seem simple and addresses a number of important EV challenges, including pricing, range anxiety, gaps in the infrastructure for charging and charge times."

  The article relates to the UK market and talks about the UK government department for Business, Energy and Industrial Strategy (BEIS) launching its EV infrastructure Strategy in March 2022.

  "The market is predicted to increase from 0.5million vehicles in 2021 to 14 million by 2030, with the government banning the sale of new petrol and diesel cars in the UK by 2030…" [26]

- The opponent also provides a report titled 'BATTERY AS A SERVICE MARKET – study period 2019–2030'. It is not clear where this has been made available. It includes a section on the UK market, though only the heading can be seen and not the part relating to the UK. This appears to be a free abstract of an otherwise paid for article. In the parts of the study that are shown, the writer values the BaaS market at 1.14 billion USD in 2022. [27]

[26] See exhibit MJD10, pages 15-17
[27] See exhibit MJD10, pages 9 -10

- An article published by VENDIGITAL on 31 March 2023 “UK: Battery-as-a-Service Model Moves Up The Grid”. It is not clear where the article was taken from. It includes: *“For EV investors, the BaaS model has potentially arrived just at the right time, although it is not strictly speaking new.”* The article refers to explorations into BaaS infrastructure by Nissan in 2013 and Tesla in 2014. It also confirms that Renault currently offers BaaS on all cars in the Zoe range.[28]

- An article posted on LinkedIn on 20 November 2023 – ‘Battery-as-a-Service (BaaS) *for Electric Vehicle Market is Likely to Experience a Massive Growth’* – based on an HTF Market Intelligence report. The article describes BaaS as a relatively new market and includes a section on the disruption caused by Covid 19 due to supply chain interruption.

  It includes a definition: *“Battery as a Service (BaaS) for electric vehicles (EVs) is a business model that allows EV owners to lease or subscribe to the battery component of their vehicle separately from the rest of the vehicle”.*

  It also refers to ‘some key players’ in the BaaS market, including CATL, Amperex Technology Ltd, BYD, GuoXuan, LG Energy Solution, Lithium Werks, ProLogium, Samsung SDI, SK On and Toshiba. Also mentioned, NIO Power (China) Sun Mobility Private Limited (India) and Ample (US).

  “The Global Battery as a Service (BaaS) for Electric Vehicle market was valued at USD 397.2 million in 2023 and is expected to reach USD 1532.1 million by 2028…”[29]

34. The applicant has submitted that much of the opponent’s evidence relates to matters outside the UK. This is correct, but I remind myself that the relevant market in this case is the EV market, and as had been the case for many years in the UK, the majority of UK drivers drive cars that originate outside the UK, meaning that

[28] See exhibit MJD10, pages 13-14
[29] See exhibit MJD10, page 1

awareness of vehicles and the vehicle industry is unlikely to stop at the UK border and exclude everything beyond it.

35. It is clear from the evidence provided by the opponent that the Battery-as-a-Service or BaaS market is a relatively new one, developing significantly over the last ten years. There is some evidence of use of the term prior to the relevant dates, for example the launch of electric buses in London in February 2020 that are powered under what is described as a 'BaaS agreement'; the definition of the 'BaaS model' is featured in a LinkedIn article in November 2019; an article in Engineers Ireland talks of 'a battery sharing and BaaS model' in February 2020 and Zenobē Energy were providing Batteries-as-a-Service in June 2019, in the context of EVs.

36. There are also several articles with later dates that cast light backwards. For example, the Battery-as-a-Service market analysis report that provides figures from 2016; the VENDIGITAL article that refers to Nissan (2013) and Tesla (2014) developing BaaS models and the HTF BaaS market analysis report that talks of supply chain disruptions during Covid 19 and the collaboration between Hyundai and SK to provide batteries as a service. I note that the Hyundai/SK announcement was dated 8 September 2020, a few days after the second relevant date, but it is fairly safe to conclude that a tie up of that complexity would have been planned sometime before the launch and therefore, likely, before the relevant dates.

37. However, even if I am wrong in that, as I have already said, it is not necessary that a sign be in use at the relevant dates for it to be refused under section 3(1)(c). It is sufficient that the sign could consist exclusively of signs or indications which that may serve, in trade, to designate the kind, quality, quantity, intended purpose, value, geographical origin, the time of production of goods or rendering of services, or other characteristics of goods or services.

38. In this case, the consumer could not have been aware of what BaaS meant, in the context of the goods and services in classes 9 and 37 of this application until the emergence of the EV market. It is clear from the evidence that as the uptake in EVs has increased, battery solutions have evolved. Battery as a Service is one of those solutions. I do not doubt that the applicant is one of several global undertakings

involved in developing BaaS solutions for EVs, but there is no evidence to support the applicant's claim that the term refers to its own BaaS offering, referred to in the evidence as NIO Power. All references to BaaS and Battery as a Service, before, during and after the relevant dates refer to it as a 'model', 'system' or 'market' rather than something originating from one undertaking that would operate as a badge of origin.

39. I note that the applicant has provided other meanings for BaaS, such as Back-up as a Service and Banking as a Service. I agree, these are, along with a few others, also terms for which BaaS can be an abbreviation. But, I must consider this application in the context of the goods and services for which registration is sought, which is the EV and battery markets.

40. The term Battery as a Service and the abbreviation BaaS are often used together and interchangeably in the evidence, with or without dashes between the words. In the context of the relevant market the consumer would understand BaaS to mean Battery as a Service. In accordance with the decision in *McCain*, I find that the goods in class 9 that are chargers, batteries, rechargeable batteries and the goods in class 37 that are electric vehicle charging stations and vehicle charging and fuelling services, battery replacement and rental services, will simply be seen by the relevant public, including the trade, as goods and services provided under a BaaS scheme that allow EV owners to lease or subscribe to the battery component of their vehicle separately from the rest of the vehicle.

41. The terms 'automobile body repair' and 'custom installation of car interiors' in class 37 are less obviously connected to BaaS. However, to the extent that they include repair and installation of parts relating to EV batteries, such as housing and connectors, wiring looms, and so on, they are also refused under section 3(1)(c) of the Act.

42. The later evidence filed by the opponent supports my view and confirms that BaaS is the way in which EV battery and battery charging services and their components are described by service providers and users. See, for example, the article on

embedded.com, dated August 2022, which refers specifically to the need for and challenges for BaaS models in the UK.

43. Accordingly, the opposition under section 3(1)(c) succeeds.

The opposition under s.3(1)(b)

44. The principles to be applied under article 7(1)(b) of the CTM Regulation (now article 7(1)(b) of the EUTM Regulation, which is identical to article 3(1)(b) of the Trade Marks Directive and s.3(1)(b) of the Act) were conveniently summarised by the CJEU in *OHIM v BORCO-Marken-Import Matthiesen GmbH & Co KG* (C-265/09 P) as follows:

> "29... the fact that a sign is, in general, capable of constituting a trade mark does not mean that the sign necessarily has distinctive character for the purposes of Article 7(1)(b) of the regulation in relation to a specific product or service (Joined Cases C-456/01 P and C-457/01 P *Henkel* v *OHIM* [2004] ECR I-5089, paragraph 32).
>
> 30. Under that provision, marks which are devoid of any distinctive character are not to be registered.
>
> 31. According to settled case-law, for a trade mark to possess distinctive character for the purposes of that provision, it must serve to identify the product in respect of which registration is applied for as originating from a particular undertaking, and thus to distinguish that product from those of other undertakings (*Henkel* v *OHIM*, paragraph 34; Case C-304/06 P *Eurohypo* v *OHIM* [2008] ECR I-3297, paragraph 66; and Case C-398/08 P *Audi* v *OHIM* [2010] ECR I-0000, paragraph 33).
>
> 32. It is settled case-law that that distinctive character must be assessed, first, by reference to the goods or services in respect of which registration has been applied for and, second, by reference to the perception of them by the relevant public (*Storck* v *OHIM*, paragraph 25; *Henkel* v *OHIM*,

paragraph 35; and *Eurohypo* v *OHIM*, paragraph 67). Furthermore, the Court has held, as OHIM points out in its appeal, that that method of assessment is also applicable to an analysis of the distinctive character of signs consisting solely of a colour per se, three-dimensional marks and slogans (see, to that effect, respectively, Case C-447/02 P *KWS Saat* v *OHIM* [2004] ECR I-10107, paragraph 78; *Storck* v *OHIM*, paragraph 26; and *Audi* v *OHIM*, paragraphs 35 and 36).

33. However, while the criteria for the assessment of distinctive character are the same for different categories of marks, it may be that, for the purposes of applying those criteria, the relevant public's perception is not necessarily the same in relation to each of those categories and it could therefore prove more difficult to establish distinctiveness in relation to marks of certain categories as compared with marks of other categories (see Joined Cases C-473/01 P and C-474/01 P *Proctor & Gamble* v *OHIM* [2004] ECR I-5173, paragraph 36; Case C-64/02 P *OHIM* v *Erpo Möbelwerk* [2004] ECR I-10031, paragraph 34; *Henkel* v *OHIM*, paragraphs 36 and 38; and *Audi* v *OHIM*, paragraph 37)."

45. The opponent's claim under this section does not go beyond its claim under section 3(1)(c). In its skeleton argument it points out that the grounds relied on are stand alone and must be considered separately but concludes that if BaaS falls foul of 3(1)(c) or (d) then it necessarily lacks the required distinctiveness under section 3(1)(b).

46. Given my findings above regarding the BaaS mark in respect of the 3(1)(c) ground, it follows that the ground under 3(1)(b) must also succeed.

47. The opposition under section 3(1)(b) succeeds.

The opposition under section 3(1)(d)

48. I have considered at length the extent to which I can deal with this ground of opposition. As I have already said, section 3(1)(c) is forward looking and it is that aspect of the ground that has led to the successful outcome for the opponent. 3(1)(d)

is different in its scope and requires assessment at the relevant dates. In my view, having carried out a detailed assessment of the relevant evidence in pages 15–20 above, I find the evidence provided by the opponent insufficient to support a finding that BaaS was customary in the current language or in the bona fide and established practices of the trade on 20 August 2020, in the context of the services applied for in class 37 or on 3 September 2020 for the goods applied for in class 9.

49. Consequently, the opposition under section 3(1)(d) of the Act fails.

The opposition under section 3(6)

50. Section 3(6) of the Act reads:

> "3(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith."

51. The relevant case law can be found in *SkyKick UK Ltd & Anor v Sky Ltd & Ors*[30] in which 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 Ankenaevnet 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).

[30] *(Rev1)* [2024] UKSC 36

(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 Mağazacilik 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)."

52. According to *Alexander Trade Mark*,[31] 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?

53. 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*

[31] BL O/036/18

(Grosvenor Street) Limited and others, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16).

54. I remind myself that the concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law. I also take account of the concept of bad faith that, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct that departs from accepted standards of ethical behaviour or honest commercial and business practices.

55. The opponent's claim under this ground is that at the relevant dates, the applicant knew that traders were or were about to use the sign BaaS for goods and services identical to those applied for. It concludes that the applicant registered the sign in order to gain a tactical advantage in the market.

56. The applicant submits:[32]

> *"It cannot be expected for the Applicant to be aware of what other traders had in mind and were 'intending to use', especially as the Opponent's claims regarding the meaning of BaaS have not been supported by any evidence."*

57. The applicant relies on its own evidence, which it says supports a finding that before the priority date BaaS was 'connected to the applicant only'.

58. I have already explained why the applicant's Google searches that returned reference to the applicant's business are not relevant. The evidence does show that the applicant is one of a number of undertakings operating in the field of batteries as a service and it also shows use of BaaS by, inter alia, GTS, Zenobē Energy, RAPT Dev and Epiroc before the relevant dates.

[32] See the applicant's final submissions, dated 12 November 2024

59. I bear in mind that good faith is presumed unless the contrary is proven and rely on *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others,*[33] in which 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."

60. I find this to be the case here. The applicant clearly has a business in the battery market and has registered NIO BaaS as another of its trade marks. The fact that I have found that BaaS is not registerable in accordance with the provisions of section 3(1)(c) and 3(1)(b) of the Act, does not mean, prima facie, that the applicant has acted in bad faith by trying to secure a registration for BaaS. The opponent has not provided anything beyond its claim that the applicant knew of the emerging BaaS Market and is attempting to secure a monopoly right that could be used against third parties in the same industry. Bad faith is a serious allegation that must be distinctly proven, and the

[33][2009] RPC 9 (approved by the COA in [2010] RPC 16)

opponent has not done so. Nothing before me points away from the applicant in this case having acted in good faith.

61. The applicant's claim under section 3(6) of the Act fails.

CONCLUSION

62. This opposition has succeeded in full against trade mark number 3575485.

Impact of this case on international application WO0000001609813

63. The applicant in WO0000001609813 for the mark LG BaaS is LG Energy Solution Ltd. The opponent is Nio Co. Ltd. That case is suspended to await the outcome of this one, as the only mark relied on by the opponent is this opposed BaaS trade mark, that I have refused in this decision.

64. Accordingly, Nio Co. Ltd's opposition 432537 fails against LG Energy Solution Ltd's application WO0000001609813 and that mark can proceed to registration.

COSTS

65. The opponent (LG Energy) has been successful and is entitled to a contribution towards its costs. I include a small cost award in respect of opposition 432537 in which LG Energy is the successful applicant, to take account of the filing of statements of case, no other papers having been filed before that case was suspended.

66. I award costs on the following basis:

Official fee:	£200
Preparing a statement and considering the other side's statement (430059):	£400

Preparing a statement and considering the other side's statement (432537):	£200
Preparing evidence and considering the other side's evidence:	£700
Preparation for and attendance at a hearing:	£800
TOTAL	**£2300**

67. I order NIO Co. Ltd to pay LG Energy Solution, Ltd the sum of £2300. These costs should be paid within 21 days of the date of this decision or, if there is an appeal within 21 days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Dated this 25th day of November 2025

Al Skilton
For the Registrar,
The Comptroller-General