

O/0751/23

TRADE MARKS ACT 1994

INTERNATIONAL TRADE MARKS 1585474 AND 1585493

IN THE NAME OF ZHEJIANG KANGSUO FITNESS EQUIPMENT CO., LTD

AND

REQUEST FOR PROTECTION IN THE UK

AND

CONSOLIDATED OPPOSITIONS 427353 AND 429607

BY XIAOMI INC.

Background and pleadings

1. This case concerns two consolidated oppositions by Xiaomi Inc. (“the opponent”) to two requests (“designations”) by Zhejiang Kangsuo Fitness Equipment Co., Ltd (“the holder”) to protect international trade marks 1585474 and 1585493 (“the IR(s)”) in the UK.
2. The designations were made on 21st January 2021 (“the relevant date”).
3. The following marks are the subject matter of the IRs:

IR ‘474

mii·GO

IR ‘493



4. The goods covered by the designations are:

Class 12: Go-carts; brake pads for automobiles; electric bicycles; folding electric bicycles; bicycles; motorcycle wheels; motorcycles; motorcycle frames; motorcycle handlebars; motorcycle engines; self-balancing scooters; self-balancing boards; self-balancing electric unicycles; self-balancing electric scooters; saddlebags adapted for bicycles; self-balancing one-wheeled electric scooters; self-balancing two-wheeled electric scooters; warning horns for two-wheeled vehicles; folding electric bicycles; unicycles; self-balancing one-wheeled electric scooters.

Class 28: Scooters [toys]; tricycles for infants [toys]; remote-controlled toy vehicles; drones [toys]; toy vehicles; toys; body-building apparatus; stationary

exercise bicycles; dumb-bells; climbers' harness; swimming kickboards; boxing gloves; skateboards; skis; in-line roller skates.

5. The opponent's grounds of opposition are based on sections 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"), which are as follows:

"(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."

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"(3) A trade mark which—

(a) is identical with or similar to an earlier trade mark,

(b) –

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."

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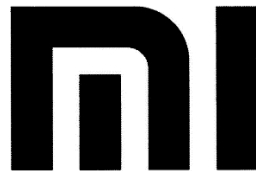
"(4) A trademark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented—

(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) –

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.”

6. For the purposes of the opposition under section 5(2)(b) the opponent relies on earlier trade mark IR1342136, which looks like this:



7. According to the opponent, this mark is similar to the contested IRs, is protected in the UK for identical or similar goods in classes 12 and 28, and there is a likelihood of confusion on the part of the public, including the likelihood of association.

8. For the purposes of the opposition under section 5(3) the opponent relies on earlier trade marks UK909822751 and IR1462437, which look like this:

UK '751

MI

IR '437

Mi

9. The '751 mark is registered for a wide range of goods/services in classes 9, 16, 35, 41, 42 & 43. The '437 mark is protected for a wide range of goods/services in classes 9, 11 & 35.

10. According to the opponent's pleadings, the earlier marks have a reputation for all these goods/services. However, in its written submissions¹ the opponent appears to rely mainly on a reputation in relation to smartphones, computer hardware and

¹ See paragraph 13 of the opponent's written submissions of 31st May 2023

software, electric scooters, toys and retail services, including *“presentation of goods on communications media, for retail purposes.”*

11. According to the opponent, the contested marks are designed to ride off the coat tails of the reputation acquired by the earlier marks and gain an unfair advantage by benefitting from their established reputation. Additionally, use of the contested marks would erode the distinctiveness of the earlier marks, and would tarnish their reputation if they are used in relation to inferior quality goods.

12. For the purposes of the opposition under section 5(4)(a), the opponent relies on earlier unregistered rights in **MI** and the device shown in paragraph 6 above. These rights are said to have been acquired through use of these marks in the UK since at least 2011 in relation to:

Computer hardware; computer peripheral equipment; computer software; data processing equipment; computer memory devices; pedometers; apparatus for recording, transmission or reproduction of sound or images; measuring apparatus and instruments; smartphones; mobile phone accessories; global position system apparatus; sound recording devices; headphones; cameras; portable media players; electronic pocket translators; video recording apparatus; video cameras; remote control apparatus; electric wires; battery chargers; smart watches; electronic sensors; security cameras; retail services; go-carts; brake pads for automobiles; electric bicycles; bicycles, motorcycle wheels; motorcycles; motorcycle frames; motorcycle handlebars; motorcycle engines; self-balancing scooters; self-balancing boards; self-balancing electric unicycles; saddlebags adapted for bicycles; warning horns for two-wheeled vehicles; unicycles; scooters (toys); tricycles for infants (toys); remote-controlled toy vehicles; drones (toys); toy vehicles; toys; body-building apparatus; stationary exercise bicycles; dumb-bells; climbers' harness; swimming kickboards; boxing gloves; skateboards; skis; in-line roller skates.

13. The opponent claims that use of the contested marks would constitute a misrepresentation that the holder's goods are connected with the opponent, which would damage its goodwill. Therefore, use of the contested marks would be contrary to the law of passing off.

14. The applicant filed counterstatements denying the claims made and requesting that the opponent provide proof of use of the earlier '751 trade mark.

The evidence

15. The opponent filed evidence. The applicant did not. The opponent's evidence consists of a witness statement by Shen Chong with 29 exhibits. Mr Chong is the opponent's IP Director. The main purpose of his evidence appears to be to show that the opponent's trade marks have been used and acquired a reputation in the UK.

Representation

16. The applicant is represented by Maucher Jenkins. The opponent is represented by Lane IP Ltd. A hearing took place on 2nd June 2023 at which the applicant was represented by Ms Katie Cameron. The opponent was not represented at the hearing. Instead it filed written submissions in lieu of attendance.

The section 5(2)(b) ground of opposition

17. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to the case law of the EU courts.

18. 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.

The principles

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

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

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

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

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

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

(g) a lesser degree of similarity between the goods or services may be offset by a great degree of similarity between the marks, and vice versa;

(h) there is a greater likelihood of confusion where the earlier mark has a highly distinctive character, either per se or because of the use that has been made of it;

(i) mere association, in the strict sense that the later mark brings the earlier mark to mind, is not sufficient;

(j) the reputation of a mark does not give grounds for presuming a likelihood of confusion simply because of a likelihood of association in the strict sense;

(k) if the association between the marks creates a risk that the public might believe that the respective goods or services come from the same or economically linked undertakings, there is a likelihood of confusion

Comparison of goods/services

19. For present purposes, I will assume that the goods covered by the designation are identical to the goods for which earlier trade mark IR1342136 is protected.

Average consumer and the selection process

20. The goods in classes 12 and 28 appear to be aimed at the general public. The opponent submits that such average consumers would pay a 'normal' degree of attention when selecting the goods. I accept that submission.

21. The goods are likely to be selected mainly by eye, through catalogues, websites etc., but oral recommendations and orders may also play some part in the process. The way the respective marks look is therefore of primary importance, but the way they sound must also be taken into account.

The distinctive character of the earlier mark

22. In *Lloyd Schuhfabrik Meyer* 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).”

23. There is no suggestion that the earlier trade mark is descriptive of the goods for which it is protected. In my view, it has an average degree of inherent distinctive character.

24. The opponent appears to submit that the mark has acquired an enhanced degree of distinctive character as a result of “heavy use” of what it calls “the logo.” For present purposes I will assume, without deciding, that the earlier mark has become highly distinctive through use.

Comparison of the marks

25. The respective trade marks are shown below:

Earlier trade mark	Contested trade marks
	IR '474  IR' 493 

26. As the CJEU stated at paragraph 34 of its judgment in *Bimbo SA v OHIM*:

“.....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....”

27. So far as the earlier mark is concerned, the opponent submits that it is a “lightly stylised” ‘Mi’ mark. According to the opponent, the contested ‘474 mark will be visually perceived as ‘MII – GO’. Further, as ‘GO’ is descriptive of goods that ‘go’ (like scooters), consumers will “naturally dissect” the mark into ‘MII’ and ‘GO’. Therefore, ‘MII’ will be perceived as the dominant and distinctive element of the ‘474 mark and/or as retaining an independent distinctive role within the mark. This means that the earlier ‘MI’ mark is wholly contained within the ‘474 mark, which results in a high level of overall visual similarity between them. Further, the opponent says that MII and MI will be pronounced the same (although it does not explain how they will be pronounced) resulting in a high level of aural similarity too.

28. The applicant disputes that the earlier mark will be perceived by average consumers as 'MI'. According to the applicant, the earlier mark will be perceived as a geometric device. The applicant says that, if anything, the first element of the earlier mark may be taken as a stylised 'N' because of the curved line on the top right hand corner of the device. In support of this submission, the applicant drew my attention to a decision of the registrar in earlier opposition proceedings, brought by the opponent against an application from a third party. The Hearing Officer in that case found that no significant proportion of the public would identify the earlier mark as 'MI'. Rather, it would be seen as simply a graphical device.² Although I am not bound by earlier decisions of the registrar, I agree with my fellow Hearing Officer's assessment. The opponent has not drawn my attention to anything in its evidence which shows the public referring to the device mark as a 'MI' mark. In any event, I do not believe that such a reaction would be typical of the average consumer's visual impression of the mark. I therefore accept the applicant's submission that the earlier mark will be perceived as a geometric device.³ This does not rule out the possibility that some consumers may identify some visual resemblance between the geometric device at issue and the letters 'MI', or indeed the letters 'NI', which for the reasons given by the applicant is at least as likely.

29. The applicant points out that the '474 mark is longer than the earlier mark and that the stylisation bears no similarity to the features of the earlier mark.

30. I accept the applicant's points. I also accept the opponent's submission that the letters MII- are visually recognisable as an independent element of the '474 mark. Nevertheless, for the reasons given in paragraph 28 above, I find there is (at most) a very low degree of visual similarity between the earlier mark and '474 mark. In reaching this view I have not completely discounted the second element of the '474 mark – GO - as the opponent suggests. I accept that when taken by itself, the word 'GO' is descriptive (or at least allusive) of the general purpose of some (not all) the goods applied for. This, together with the fact it appears at the end of the mark, means that GO will have less visual impact on consumers than the prefix MII. Nevertheless, the

² See BL O/550/20

³ The international registration includes a description that the mark is the stylized English letters M and I. However, this does not determine how the average consumer will perceive the mark. It is probably just how the IR holder described the mark in the International application.

suffix is not so descriptive or trivial (it comprises 40% of the mark) as to have only a negligible visual impact on the average consumer who “*normally perceives a mark as a whole.*”

31. As to aural similarity between the marks, my finding that the earlier mark will be perceived as a graphical device makes a meaningful aural comparison impossible.

32. The opponent submits that ‘MI’ and ‘MII’ “*have no conceptual meaning to English-speaking consumers given they are not words in their own right. MI, nor MII, can be found in the English dictionary. Any attempt to derive a meaning of the marks to English-speaking consumers would require additional logic leaps and constitute an over-analysis of the marks.*” Despite this statement, the opponent goes on to submit that the marks are highly similar from a conceptual perspective. This does not make sense. If the marks have no semantic meaning (even on the opponent’s assessment of the earlier mark) they cannot have any conceptual similarity. The opponent’s submission appears to be based on what it says will be the trade mark meaning conveyed by the ‘474 mark, i.e. it will be perceived as a variant of the earlier mark. This submission is misplaced. The conceptual comparison of the marks feeds into the ultimate question of whether there is a likelihood of confusion. It is therefore inappropriate and circular to argue the marks are conceptually similar because their trade mark meanings indicate there is a likelihood of confusion. I find that neither mark (as whole) has any conceptual meaning as such. Therefore no conceptual comparison is possible.

33. Turning to the ‘493 mark, I find that the degree of visual similarity to the earlier mark is so low as to be imperceptible to the average consumer. The ‘493 mark is clearly a graphical sign. A significant proportion of the relevant public will recognise that it is a stylised representation of a rider on some kind of cycle. Most others will see nothing except a geometric device. In my view, it is fanciful to suggest (as the opponent does) that not only will consumers identify the letters ‘MII’ as making up the ‘rider’ of the cycle, and the letters ‘G’ and ‘O’ as making up the wheels, but that consumers will mentally re-order these letters into ‘M-I-I-G-O’. If there is any visual similarity between the ‘493 mark and the earlier mark, it is at the lowest possible level perceptible to average consumers.

34. This assessment of the '493 mark, and my earlier findings about the earlier trade mark being a device, make aural and conceptual comparisons between the earlier mark and '493 mark impossible.

Likelihood of confusion

35. In my judgment, there is no possibility of direct confusion between the earlier mark and the '474 and/or '493 marks. Even taking account of the (assumed) identity of the goods, the (assumed) highly distinctive character of the earlier mark, and the possibility of imperfect recollection, the visual differences between the marks are such that no average consumer paying a normal degree of attention is liable to visually confuse them.

36. Further, even if I am wrong and (contrary to my finding) a significant proportion of average consumers will try to verbalise the earlier mark and place orders under the letters MI, I would still not have found a likelihood of aural confusion. In *The Royal Academy Of Arts v Errea Sport S.P.A.*⁴ Mr Iain Purvis QC, as the Appointed Person, rejected the appellant's submission that there was bound to be a likelihood of confusion where one mark consisted of letters and the other consisted of the same letters in (heavily) stylised form. He said:

"In essence [the appellant's attorney's] argument was that there was bound to be a likelihood of confusion in this case because of the aural 'identity' between the marks (if one tried to ask for goods using an aural version of the earlier mark, one would ask for 'RA' goods, just as one would ask for the applicant's goods). This argument seems to me to fly in the face of the necessary 'global' assessment, bearing in mind the visual, conceptual and aural similarities, which the tribunal must carry out. Particularly in the case of an earlier mark which is a heavily stylised device mark, taking the aural similarities alone tends to ignore the real substance and distinctive character of the mark and is likely to lead to an erroneous result."

37. The same would apply here. Further, in this case the letters (or word) elements would not be aurally identical even if the earlier mark were given oral expression. The

⁴ BL O/010/16

opponent's strongest case in this respect is plainly against the '474 mark. However, even if this mark were verbalised as MY-GO or ME-GO and the earlier mark as MY or ME, the marks would be aurally similar not identical. Further, I think there is force in the applicant's submission that if the relevant public pronounce MII as a word, then because of the double 'i' they are likely to pronounce it as 'me' (in the same way the double 'i' in skiing is give an 'e' sound), whereas the most likely pronunciation of MI is MY (as in the greeting Hi).

38. The opponent submits that there is also a likelihood of indirect confusion because the contested marks "*will be seen either as logical-sub brands for MI for scooters or as a variant/companion/sub-brand/logo brand.*" In *L.A. Sugar Limited v By Back Beat Inc.*,⁵ Mr Iain Purvis K.C. as the Appointed Person explained that:

"16. Although direct confusion and indirect confusion both involve mistakes on the part of the consumer, it is important to remember that these mistakes are very different in nature. Direct confusion involves no process of reasoning – it is a simple matter of mistaking one mark for another. Indirect confusion, on the other hand, only arises where the consumer has actually recognized that the later mark is different from the earlier mark. It therefore requires a mental process of some kind on the part of the consumer when he or she sees the later mark, which may be conscious or subconscious but, analysed in formal terms, is something along the following lines: 'The later mark is different from the earlier mark, but also has something in common with it. Taking account of the common element in the context of the later mark as a whole, I conclude that it is another brand of the owner of the earlier mark'.

17. Instances where one may expect the average consumer to reach such a conclusion tend to fall into one or more of three categories:

(a) where the common element is so strikingly distinctive (either inherently or through use) that the average consumer would assume that no-one else but the brand owner would be using it in a trade mark at all. This may apply even where the other elements of the later mark are quite

⁵ Case BL O/375/10

distinctive in their own right ('26 RED TESCO' would no doubt be such a case).

(b) where the later mark simply adds a non-distinctive element to the earlier mark, of the kind which one would expect to find in a sub-brand or brand extension (terms such as 'LITE', 'EXPRESS', 'WORLDWIDE', 'MINI' etc.).

(c) where the earlier mark comprises a number of elements, and a change of one element appears entirely logical and consistent with a brand extension ('FAT FACE' to 'BRAT FACE' for example)."

39. In *Liverpool Gin Distillery Ltd & Ors v Sazerac Brands, LLC & Ors*,⁶ Arnold LJ referred to the comments of James Mellor Q.C. (as he then was), sitting as the Appointed Person in *Cheeky Italian Ltd v Sutaria*⁷ where he said at [16] that “*a finding of a likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion.*” Arnold LJ agreed, pointing out that there must be a “*proper basis*” for concluding that there is a likelihood of indirect confusion where there is no likelihood of direct confusion. It is not sufficient that a mark merely calls to mind another mark: *Duebros Limited v Heirler Cenovis GmbH*.⁸ This is mere association not indirect confusion.

40. I remind myself and readers of this decision, that the earlier mark relied on under section 5(2) is not the letters Mi, but (at most) a geometric device from which those letters could be extracted. I therefore see no ‘proper basis’ on which to find that the ‘474 or ‘493 marks are liable to be taken as logical sub-brands of the earlier mark. Even if the letters ‘Mi’ are detectable in the earlier mark, ‘MI’ (as opposed to MII) is not an independent element in the contested marks. Nor do they share the distinctive stylisation of any letters that might be detected in the earlier mark. Therefore, there is no reason for average consumers to expect the contested marks to be sub-brands, variants or ‘companions’ of the earlier mark. Consequently, I also reject the likelihood of indirect confusion.

⁶ [2021] EWCA Civ 1207

⁷ BL O/219/16

⁸ BL O/547/17

The section 5(3) ground of opposition

41. The relevant case law can be found in the following judgments of the CJEU: Case C-375/97, *General Motors*, Case 252/07, *Intel*, Case C-408/01, *Adidas-Salomon*, Case C-487/07, *L'Oreal v Bellure*, Case C-323/09, *Marks and Spencer v Interflora* and Case C383/12P, *Environmental Manufacturing LLP v OHIM*. The law appears to be as follows.

(a) The reputation of a trade mark must be established in relation to the relevant section of the public as regards the goods or services for which the mark is registered; *General Motors*, paragraph 24.

(b) The trade mark for which protection is sought must be known by a significant part of that relevant public; *General Motors*, paragraph 26.

(c) It is necessary for the public when confronted with the later mark to make a link with the earlier reputed mark, which is the case where the public calls the earlier mark to mind; *Adidas Saloman*, paragraph 29 and *Intel*, paragraph 63.

(d) Whether such a link exists must be assessed globally taking account of all relevant factors, including the degree of similarity between the respective marks and between the goods/services, the extent of the overlap between the relevant consumers for those goods/services, and the strength of the earlier mark's reputation and distinctiveness; *Intel*, paragraph 42

(e) Where a link is established, the owner of the earlier mark must also establish the existence of one or more of the types of injury set out in the section, or there is a serious likelihood that such an injury will occur in the future; *Intel*, paragraph 68; whether this is the case must also be assessed globally, taking account of all relevant factors; *Intel*, paragraph 79.

(f) Detriment to the distinctive character of the earlier mark occurs when the mark's ability to identify the goods/services for which it is registered is weakened as a result of the use of the later mark, and requires evidence of a

change in the economic behaviour of the average consumer of the goods/services for which the earlier mark is registered, or a serious risk that this will happen in future; *Intel, paragraphs 76 and 77* and *Environmental Manufacturing, paragraph 34*.

(g) The more unique the earlier mark appears, the greater the likelihood that the use of a later identical or similar mark will be detrimental to its distinctive character; *Intel, paragraph 74*.

(h) Detriment to the reputation of the earlier mark is caused when goods or services for which the later mark is used may be perceived by the public in such a way that the power of attraction of the earlier mark is reduced, and occurs particularly where the goods or services offered under the later mark have a characteristic or quality which is liable to have a negative impact of the earlier mark; *L'Oreal v Bellure NV, paragraph 40*.

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

Proof of use of UK909822751 mark

42. The opponent's reliance on the earlier UK '751 mark is subject to proof of use under section 6A of the Act. However, more is required in order to found a case under section 5(3) of the Act: the opponent must also show that the earlier mark has a reputation in the UK. For present purposes, I will assume that the earlier mark has

been put to genuine use in the UK during the 5 year period preceding the relevant date and skip straight to the issue of reputation.

Reputation

43. The opponent must show that earlier marks IR '437 and UK '751 have a reputation in the UK in relation to goods/services for which they are registered or protected in classes in classes 9, 11, 16, 35, 41, 42 & 43.⁹ This does not include electric scooters or any other goods in classes 12 or 28.

44. According to Mr Chong's evidence, the opponent has become one of the world's most prominent producers and sellers of consumer electronics, software and smart bands, most of which fall in class 9. In this connection, I note that UK '751 is registered in class 9 for *computer programs and computer software and apparatus for recording, transmitting and/or reproducing sound and/or video images*. This covers *software, smartphones and smart bands*. IR '437 is protected in class 9 for *smartphones, connected bracelets [measuring instruments], mobile software applications and smartwatches (data processing)*. These terms also cover *software [for mobile devices], smartphones and smart bands*.

45. Much of Mr Chong's evidence is directed at the opponent's position in the global market. Mr Chong says that the opponent has grown to such an extent that it is listed in Brandz Top 100 global brands.¹⁰ The material provided to support this claim shows that XIAOMI was indeed listed as the world's 70th most valuable brand in 2021. However, no mention was made of MI.

46. The relevant date is 21st January 2021. According to Mr Chong, the opponent had 1.57% of the UK market for smartphones in the period July 2020 – January 2021. The market for smartphones appears to have been dominated by Apple and Samsung, which together held 80% of the market. The opponent was the fourth largest supplier of smartphones to the UK market at the relevant date, after Apple, Samsung and Motorola. However, not all its smartphones carry the MI brand. Some are branded

⁹ See *Tulliallan Burlington Ltd v EUIPO*, Case T-123/16, the General Court, at paragraph 27 of the judgment

¹⁰ See exhibit SC2

Redmi, and others are branded POCOPHONE.¹¹ It is not clear what proportion of the opponent's UK sales were made under the MI brand.

47. No sales figures are provided for UK sales of MI (or any other) branded smartphones, smart bands, software, or any other goods/services.¹² The closest the evidence comes to this is Mr Chong's statement that the opponent's revenue from outside China in 2020 amounted to £15 billion. However, this includes revenue from the whole of Europe, India, Indonesia and other places too. According to the Chairman's Statement in the opponent's 2020 annual report, the opponent was the largest smartphone brand in India in 2019. So this must account for a substantial proportion of the opponent's non-China sales. In Western Europe, the opponent was the second largest supplier of smartphones to the Spanish market. No mention was made in the report of the opponent's position in the UK market.¹³

48. The opponent operates a website at mi.com and a UK specific version of it at mi.com/uk. According to the independent analytics website similarweb.com, the opponent's mi.com website received 70m visits in January 2021 about 1.4% of which originated in the UK.¹⁴ However, according to the analytics report at exhibit SC7, 95% of the hits were triggered by the use of organic search terms, and none of the top 5 organic search terms consisted of MI. The only top-5 search term in Roman characters was 'xiaomi'. I note that these matters were pointed out in the applicant's written submissions dated December 2021,¹⁵ and that the opponent did not file evidence in reply.

49. Mr Chong's evidence is that goods bearing the Mi/MI marks were sold to UK customers from the UK-specific section of the opponent's website since 2018. Historical pages from the website are in evidence showing MI/Mi smartphones, ear/head phones, electrical chargers and smart lights on sale on the website during 2018/19. There are also smart bands shown. These appear to have been branded as 'Xiaomi Band 3', although there is a single example showing the outline of a 'Mi Band'

¹¹ See exhibits SC3 and SC11

¹² Exhibit SC6 indicates that the opponent had about 20% of the global market for wearable bands in 2020/21, and that one of its brands was MI. However, no information is provided about where these are sold.

¹³ See exhibit SC29

¹⁴ See exhibit SC8

¹⁵ At paragraph 35

(with no price or other information) on a webpage dated April 2019.¹⁶ There is also a single example of an “*all new*” ‘Mi Fit App’ (i.e. downloadable software) having been made available to the UK public in December 2018.¹⁷ No prices are shown for this product.

50. The opponent opened its first physical store in the UK in London in November 2018. The frontage carried the logo shown in paragraph 6 above. The opponent refers to it as the Xiaomi MI store.¹⁸ The evidence indicates the store sold the goods mentioned above, and also the Mi portable mouse. The store closed during the COVID pandemic in March 2020 and re-opened (after the relevant date) in July 2021.

51. Mr Chong says that the opponent’s “*products*” have been sold in “*high volumes*” through partners including Three, Amazon, Argos, John Lewis, Carphone Warehouse, Currys PC World, Very.co.uk and Scooter Geeks. As support for this claim he exhibits a historical webpage from the opponent’s website entitled ‘Where to Buy’.¹⁹ The page appears to be from March 2019. It names eight partners, including all of the above except Scooter Geeks. This omission indicates that Mr Chong’s list of partners reflects the position at the date of his statement in 2022 rather than the position at the relevant date. The webpage from 2019 lists the opponent’s products as ‘Mi Phones’, ‘Redmi Phones’, ‘POCOPHONE’, ‘Audio’ and ‘Smart Devices’. There is also evidence of customers posting reviews on Amazon and Carphone Warehouse of ‘Mi’ smartphones and smart bands from 2018.²⁰

52. The opponent has released a number of software apps bearing the Mi mark. Mr Chong says they were released between 2014 and 2020. However, the only evidence of use of the apps in the UK is data obtained from the analytics company App Annie. This shows the best performance of the opponent’s apps in the UK download charts. Most entries are from 2018 to 2020. The exceptions are Mi Wi-Fi, which reached 353rd in the UK download charts (productivity) in 2015, and Mi Calculator, which reached 180th in the UK download charts (Tools) in 2017. Some of the other apps did relatively better in more recent years. The Mi Fit and Mi Home apps were 7th in the Health and

¹⁶ See page 70 of exhibit SC12

¹⁷ See page 90 of exhibit SC12

¹⁸ See exhibit SC9

¹⁹ See exhibit SC11

²⁰ See exhibit SC13

Fitness and Lifestyle charts, respectively, in December 2020. There is no evidence as to the actual number of Mi branded apps downloaded in the UK. The closest the evidence comes to this is that billions were installed in 'Europe' from the Google Play and IOS App stores in 2019.²¹

53. The opponent's goods have won awards. Most of these appear to have been in places outside the UK. However, the opponent was named 'Best Newcomer of the Year' in the USwitch Broadband and Mobile Awards 2019.²²

54. The opponent has a substantial following on social media, but it is not clear what proportion of this comes from the UK.

55. Mr Chong says that exhibit SC22 contains cuttings from UK specific online sources *"that relate to the opponent and often refer to the MI trade marks."* In fact there are only four documents in this exhibit and only one – from wired.co.uk – is clearly from the UK.

56. As noted above, obtaining protection under section 5(3) of the Act is conditional on the trade mark being shown to be known to a significant part of the relevant public. In *General Motors*, the CJEU stated that:

"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'."

57. The opponent's evidence is unhelpful because:

(i) There are no sales figures for goods/services marketed in the UK under the MI/Mi marks.

²¹ See exhibit SC14

²² See exhibit SC19

(ii) The only product for which UK market share information has been provided is smartphones.

(iii) The market share figure provided for UK sales of smartphones prior to the relevant date (1.57%) is not particularly large, and the opponent has failed to distinguish between products sold under the MI/Mi marks and smartphones sold under other marks (Redmi, POCOPHONE), making it impossible to deduce the actual UK market share held by the MI/Mi marks.

(iv) The opponent is conspicuously unclear about when it first marketed specific goods under the MI/Mi marks on the UK market. Almost all the dated UK use shown is from 2018 or later,²³ which is only about 3 years before the relevant date.

(v) The evidence repeatedly fails to distinguish between events before and after the relevant date.

(vi) The opponent has not provided evidence about how much it spent promoting the MI/Mi marks in the UK, and apart from having a UK section to its website and a store in West London, there is precious little evidence showing what the opponent has done to create a market under the Mi/Mi marks in the UK.

58. I have no reason to doubt that whatever goods the opponent has sold or made commercially available (as appears to be the case with software apps) were traded on a UK-wide basis. However, the deficiencies in the evidence prevent me from finding that the MI/Mi marks were known at the relevant date to a significant proportion of the UK public in relation to any of the goods/services for which they are registered.

59. If I am wrong about this, the only product for which a qualifying reputation might have existed was smartphones. Therefore, in case my primary finding is wrong, I will briefly address the opponent's section 5(3) case on the basis that MI/Mi marks had a qualifying reputation for smartphones.

²³ This is consistent with the opponent having won the Uswitch 'Best Newcomer of the Year', Broadband and Mobile Awards 2019

Link

60. The next issue to be assessed is whether the public will make the required mental 'link' between the marks. I must take account of all relevant factors. The factors identified in *Intel* are:

The degree of similarity between the conflicting marks

61. The applicant submits that the earlier MI/Mi marks “*appear to consist of two variations of the word 'MI'.*” The contested marks are more similar to the MI/Mi marks than the earlier '136 device mark I considered under section 5(2). However, for the reasons given in paragraph 33 above, I consider the '493 mark will be perceived as just a device. Consequently, even if sharp-eyed consumers spot the letters M-I-I in the 'rider' element of the device, the overall level of similarity between this mark and the letters or word MI/Mi as such would be low. Further, any theoretical aural similarity there might be is of little consequence because the '493 mark is a device mark designed to appeal to the eye. It is therefore unlikely to be given oral expression, even by those consumers sharp-eyed enough to spot letters within the image.

62. The earlier MI/Mi marks are visually similar to the '474 mark to a medium degree. This is because of the visual similarity between these marks and the first and most impactful part of the '474 mark (MII-). For the reasons given in paragraph 37 above, I find that if the word MI/Mi is pronounced, then it is likely to be pronounced as MY, whereas the '474 mark is likely to be pronounced as ME-GO. Consequently, there is only a low degree of aural similarity between the marks.

The nature of the goods or services for which the conflicting marks are registered, or proposed to be registered, including the degree of closeness or dissimilarity between those goods or services, and the relevant section of the public

63. Smartphones are electronic personal devices used for information and communication purposes. The goods covered by the contested marks are vehicles, toys and exercise equipment used for transportation, leisure and exercise purposes. There is little or no similarity between the respective goods. The most that can be said is that some of the holder's goods (such as electric bicycles) are battery powered like

smartphones. However, given the number of goods that are battery powered, this is only a small point of similarity. It is true that the opponent itself has diversified into, inter alia, electric scooters. I will consider the opponent's trade in electronic scooters in more depth when I come to assess the opponent's unregistered rights in MI/Mi for such goods. For the purposes of this assessment it is sufficient to point out that there is no evidence that smartphones and electric scooters are commonly marketed by the same entities under the same or similar brands. Consequently, average UK consumers of such goods would not consider electric scooters to be a natural progression in trade from smartphones.²⁴ Overall, the goods are dissimilar, but not totally distant like (say) electric bicycles and pharmaceuticals.

The strength of the earlier mark's reputation

64. If the earlier marks had a reputation in the UK for smartphones at the relevant date, it was a modest one.

The degree of the earlier mark's distinctive character, whether inherent or acquired through use

65. The earlier marks have a medium degree of inherent distinctive character. Any enhancement of the level of distinctive character of the marks to UK consumers through use is likely to have been modest.

Whether there is a likelihood of confusion

66. In my view, the differences between the marks, the fact they have not been shown to have become highly distinctive in the UK through use, combined with the differences between smartphones and the goods in classes 12 and 28 covered by the contested marks, indicates there is no likelihood of confusion.

Conclusion on link

67. Taking all of the above into account, I find that UK consumers would not have made any link between the contested marks when used in relation to the designated

²⁴ This is consistent with a consumer comment posted on YouTube and quoted at paragraph 78 below.

goods in classes 12 and 28, and the earlier MI/Mi marks with any modest reputation they may have had for smartphones.

68. In the absence of such a link there is no possibility on the contested marks taking unfair advantage of, or being detrimental to, the reputation of the MI/Mi marks for smartphones. The section 5(3) ground fails accordingly.

The section 5(4)(a) ground of opposition

69. The opponent relies on earlier unregistered rights in **MI** and the device shown in paragraph 6 above.

70. In *Discount Outlet v Feel Good UK*,²⁵ 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).”

71. In *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*,²⁶ Lord Neuberger (with whom the rest of the Supreme Court agreed) stated that:

²⁵ [2017] EWHC 1400 IPEC

²⁶ [2015] UKSC 31 at paragraph 47 of the judgment

“I consider that we should reaffirm that the law is that a claimant in a passing off claim must establish that it has actual goodwill in this jurisdiction, and that such goodwill involves the presence of clients or customers in the jurisdiction for the products or services in question.”

72. It is therefore necessary for the opponent to show that it had customers in the UK and had thereby acquired a significant goodwill in this territory by the relevant date.²⁷

73. The threshold for acquiring protection under the law of passing off is lower than the threshold required to bring an opposition under section 5(3). As long as the level of trade in the UK is more than trivial the law of passing off is available to a claimant.²⁸

74. The opponent’s evidence shows that it was trading in the UK at the relevant date in relation to at least smartphones, smart bands, ear/headphones, electrical chargers, software apps for mobile devices, portable computer mouses and smart lights.²⁹ The establishment of a shop in West London selling these items demonstrates that the level of trade in the UK was more than trivial. I therefore accept that the opponent had goodwill in the UK in relation to a business selling these goods. Although the evidence of smart bands being marketed in the UK under MI, or the device mark shown in paragraph 6 above, is thin, for present purposes I am prepared to accept that MI was distinctive of the opponent in relation to the goods mentioned above (and the associated retail services).

75. The opponent’s reliance on goodwill under the device mark shown in paragraph 6 above in order to establish misrepresentation, fails for the reasons given in relation to the opponent’s section 5(2) ground.

76. Further, so far as the opponent’s case is based on rights in MI in relation to the goods/services listed in paragraph 74 above, the opponent’s case on misrepresentation would fail for the reasons given in paragraphs 62-67 above. I

²⁷ In the absence of any evidence of use of the holder’s marks in the UK prior to the date of designation, the relevant date is the UK was designated for protection. See *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, as the Appointed Person, at paragraph 43.

²⁸ See, for example, *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590

²⁹ However, lights are not covered by the list of goods/services relied on by the opponent as shown at paragraph 12.

acknowledge that the list of goods/services for which the opponent has acquired goodwill is wider than the single product for which I considered it might have a qualifying reputation for protection under section 5(3) - smartphones. However, the nature of the additional goods is similar to smartphones, or they are for use with smartphones. None of them are any more similar to vehicles in class 12, or toys and exercise equipment in class 28. Therefore, in my view, the additional goods do not materially improve the opponent's case under section 5(4)(a) over that part of the section 5(3) case in which I considered whether the public would make a link between the marks.

77. On the other hand, the opponent's section 5(4)(a) case is also partly based on a claimed trade in MI electric scooters and toys. This potentially strengthens the opponent's section 5(4)(a) case over and above its case under sections 5(2) and (3). I will therefore carefully examine the evidence going to the opponent's claim that it is trading in the UK in MI electric scooters and toys. As noted above, in order to establish this extension of its goodwill, the opponent must show that this occurred prior to the relevant date.

78. Mr Chong draws attention to exhibit SC9 which he says consists of "*extracts from various YouTube videos which show the Westfield store in operation. In the video, various goods bearing the MI and MI logo marks are shown on offer for sale, including the Mi Electric Scooter.*" However, so far as I can see, none of the goods visible in these video extracts are electric scooters. I note that one of the comments posted on page 1 of the exhibit by 'Pinder Productions' is that "*Xiaomi seems to be far more diverse in terms of different products they make than one may first realise. The scooters look like they may be fun.*" This comment is dated '1 year ago'. It is not clear when this was. The page on which it appears is dated November 2018. This was when the London store opened, so the comment cannot be about something the poster of the comment saw in the London store one year before that date. Most likely the comment was posted a year before the page was downloaded, i.e. around August 2022. If that is correct, a year before that would have been summer 2021. This is after the relevant date. In any event, the comment refers to Xiaomi, not MI, scooters.

79. The opponent's witness also draws attention to historical extracts from the UK section of the opponent's website, which he says shows MI electric scooters on sale.

Page 92 of exhibit SC12 does indeed show a MI Electric Scooter Pro 2 on sale for £549. However, the page in question is from 21st March 2021, i.e. after the relevant date.

80. Mr Chong does not expressly say when MI electric scooters were first marketed in the UK. Apart from drawing attention to the opponent's shop and website (neither of which assist for the reasons given above), the closest he gets to identifying a specific date of first use in the UK is by drawing attention to the date of the earliest customer review of the electric scooter on the Argos website.³⁰ The earliest review is dated 8th September 2020. There are three more reviews dated October 2020. These appear to have come from UK customers. However, the product reviewed on the Argos website was called the 'Xiaomi Essential Electric Scooter', not the MI scooter. None of the reviewers referred to it as such. I note that the device mark shown in paragraph 6 above appears on the footplate of the scooter. However, because this is likely to be perceived as a device mark rather than the letters MI (for the reasons explained above), this does not assist the opponent.

81. Exhibit SC21 consists of pages from the website techadvisor.com, which appears to be aimed, at least in part, at UK consumers. Mr Chong says it contains an article reporting live streams from the opponent's UK launch event in August 2021 for, inter alia, the Mi Electric Scooter Essential, Mi Electric Scooter 1S and Mi Electric Scooter Pro 2. I note that August 2021 is after the relevant date. I also note that the article in evidence is actually dated 27th August 2020, which is before the relevant date. It reports that the launch event planned for the following day would provide UK pricing and availability. It also suggests the majority of electric scooters seen on UK roads at that time were copycat versions of the Xiaomi M365 Electric Scooter. This suggests that the planned launch in August 2020 was the first time the opponent proposed to use the MI/Mi mark in the UK market directly in relation to its electric scooters. There is no evidence as to the number of UK consumers (if any) that visit the techadvisor.com website. Nor is there any evidence from the opponent itself, or anyone else, showing the actual launch event.

³⁰ See exhibit SC13

82. Exhibit SC13 also includes extracts from the website pure.com. These pages do indeed show products described as the Xiaomi MI Essential Electric Scooter, Xiaomi Mi 3 Electric Folding Scooter and the Xiaomi Mi Pro 2 Electric Scooter on sale and priced in pounds Sterling. However, these pages appear to date from 2022, well after the relevant date.³¹

83. The same exhibit includes a page from Amazon's UK website in 2022 showing a toy described as Xiaomi Mi Fidget Cube for sale. Mr Chong points out that the earliest review of this product is dated 7th December 2019. I accept this shows that someone in the UK purchased the product from Amazon in 2019, although not necessarily Amazon's UK website.³²

84. As noted at paragraph 55 above, exhibit SC22 includes an article from the website wired.co.uk. The article is from 2022 (i.e. after the relevant date). It lists the 'Xiaomi M365 Pro (not MI) as one of the best electric scooters to buy.

85. Mr Chong gives evidence that there are multiple reviews of the opponent's products on YouTube, and he provides some examples.³³ These include the 'Xiaomi Mi Electric Scooter Review' (822,000 views), Xiaomi Scooter Pro 2 (809,000 views and 'Xiaomi Mi Fidget Cube' (22,000 views). The first and the last reviews appear to have been posted on YouTube in 2018. The second video was posted in 2020. The number of views appears to show the position at the date the pages were downloaded (probably August 2022). It is not clear how many of these 'views' occurred prior to the relevant date, or what proportion of them relate to viewers based in the UK. In this connection, I note that the products listed on the 'Where to Buy' page of the UK section of the opponent's website from March 2019 (i.e. after two of these reviews were posted) did not include electric scooters or toys.³⁴

86. My attention has also been drawn to the awards given to the opponent's products, including the MI Electric Scooter. It was awarded a silver medal in the DFA design

³¹ See page 113 which has a copyright claim dated 2022. Mr Chong does not give any date for this material.

³² The following review on the same page has been translated from German and was therefore probably posted on Amazon's German website. The location of the reviewer does not therefore appear to be linked to the particular national Amazon website on which they appear.

³³ See exhibit SC25

³⁴ See exhibit SC11

awards 2017. However, I understand that DFA stands for Designs for Asia. As such it tells me little about the opponent's goodwill in the UK. The Xiaomi M365 was crowned 'Best Electric Scooter' by T3 in 2020. I understand that t3.com is a US-based website. In any event, the product in question does not appear to have been marketed under the MI mark.

87. The Electric Scooter Guide awarded Xiaomi Mi M365 electric scooter best overall scooter in 2021. This is a US organisation. Their US website included a link to Amazon UK where the product was indicated to be available. This suggests that this US website was (in part) aimed at UK consumers. However, it is not clear when in 2021 this review and the associated link to Amazon UK first appeared. On the balance of probability, it is likely to have been after the relevant date in January of that year.

88. Mr Chong says that the IF design awards for XIAOMI products between 2015-2022 included one for the Mi Electric Scooter. However, he provides no documents showing such an award or when it was received. Additionally, it is not clear how the IF Design Awards would have come to the attention of UK consumers. The same applies to the Red Star design awards in which the Xiaomi Mijia (not MI) electric scooter picked up a gold award in Beijing in 2017. According to Mr Chong, the MI scooter also received a Red Dot Award in 2017. He provides no documents showing such an award. Further, given that the organisation making the award appears to be based in Germany, how it would have come to the attention of UK consumers.

89. As with other products, the opponent has not provided sales figures for electric scooters or toys marketed under the MI brand (or the device shown in paragraph 6 above) in the UK prior to the relevant date, or even after that date. There are also no invoices, or similar documents, showing sales of MI scooters or toys to anyone in the UK.

90. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)*,³⁵ Pumfrey J. stated:

³⁵ [2002] RPC 19 (HC)

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

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

91. In *Minimax GmbH & Co KG v Chubb Fire Limited*,³⁶ Floyd J. (as he then was) added the qualification that:

“[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application.”

³⁶ [2008] EWHC 1960 (Pat)

92. In my view, the opponent's evidence falls short of this requirement. It does not show that the opponent had customers in the UK for MI scooters prior to the relevant date. And, at most, it shows that the opponent had a single UK customer for a MI-branded toy, which would be a trivial level of goodwill.

93. It is not necessary to consider whether evidence of advertising forthcoming sales of such goods might have generated the required goodwill.³⁷ This is because there is precious little evidence of any such marketing by the opponent, and no marketing figures.

94. Therefore, I find the opponent's section 5(4)(a) case is no stronger than its section 5(2) and 5(3) grounds. It fails because (a) the goodwill it has established under MI in goods such as mobile phones and smart bands, is insufficient to justify a finding that use of the contested marks in relation to the goods covered by the designation would constitute a misrepresentation to the public and/or cause substantial damage to the opponent's goodwill, (b) the opponent has not shown that its UK goodwill at the relevant date extended to electric scooters or toys, and (c) even if the opponent had started marketed such goods in the UK prior to that date, the opponent has not established that MI/Mi had become distinctive of its electric scooters and/or toys to the UK public.

95. The section 5(4)(a) ground of opposition is therefore also rejected.

Overall outcome

96. The oppositions have failed. The contested marks will therefore be protected in the UK in relation to the goods covered by the designations, as set out in paragraph 4 above.

³⁷ See the discussion as to whether this is even possible in *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*, [2015] UKSC 31, Lord Neuberger at paragraph 66 of the judgment.

Costs

97. As the oppositions have failed, the holder is entitled to a contribution towards its costs. I assess these as follows:

£450 for considering the opponent's notices of opposition and filing counterstatements;

£1050 for considering the opponent's ill-focussed evidence and filing written submissions in response;

£750 for taking part in the hearing and providing a skeleton argument.

97. I therefore order Xiaomi Inc. to pay Zhejiang Kangsuo Fitness Equipment Co., Ltd the sum of £2250 as a contribution towards its costs. This should be paid within twenty-one days of the expiry of the appeal period or, if there is an appeal, within twenty-one days of the conclusion of the appeal proceedings (subject to any order of the appellate tribunal).

Dated 8th August 2023

Allan James
For the Registrar