

O-428-16

TRADE MARKS ACT 1994


**IN THE MATTER OF REGISTRATION No. 3000395
STANDING IN THE NAME OF
YI LIN**

AND

**IN THE MATTER OF A REQUEST FOR A DECLARATION
OF INVALIDITY THERETO UNDER No.501030
BY GAU DONQ LIH LIMITED**

BACKGROUND

1) The following trade mark is registered in the name of Yi Lin (hereinafter YL):

Mark	Number	Filing & registration date	Class	Specification
	3000395	03.04.13 24.01.14	6	Engine oil catch cans, generic aluminium grids, turbo off valves, air filters, exhaust pipes, all for use on vehicles.
			9	Warning horns, batteries; pressure gauges, quantity gauges, speedometers, level gauges and temperature indicators; electric sirens and red warning triangles; ground earthing cables; turbo timers; stabilising cables.
			11	Lights for automobiles; heaters for automobiles; air conditioners for automobiles; defrosters for automobiles.
			12	Automobile parts and accessories being wheel nuts including lightweight wheel nuts, steering wheels including racing style steering wheels, car seats and safety belts including racing style car seats and safety belts, aftermarket shift stick gears, automobile peddles, shift sticks, racing style instrument panel, steering wheel hubs, and

				aftermarket racing style body kits for automobiles.
			35	Wholesale and retail services connected with the sale of automobile parts and accessories including automobile aftermarket parts, lights, heaters, air conditioners, defrosters for automobiles; import and export agency services for automobile parts and accessories including automobile aftermarket parts, lights, heaters, air conditioners, defrosters for automobiles.

2) By an application dated 29 October 2015 Gau Donq Lih Limited (hereinafter GDL) applied for a declaration of invalidity in respect of this registration. The grounds are, in summary:

- a) GDL contends that it has used the mark D1 SPEC and also the mark shown below throughout the UK since January 2011 in respect of, inter alia, parts for vehicles and has goodwill and reputation in this mark. Use of the mark in suit will offend against section 5(4)(a) of the Act.



- b) GDL allege that YL was aware of GDL's reputation under its marks in suit but applied for its mark either to exploit GDL's goodwill or to profit from selling the registration to GDL. It is alleged that any internet search would have revealed the

use of the marks by GDL and so the mark was applied for in bad faith and offends against section 3(6) of the Act.

3) YL provided a counterstatement, dated 31 January 2016, in which he denies the above grounds and claims he has used the mark in the UK since July 2009 in respect of parts for vehicles in class 12.

4) Both sides filed evidence. Both sides ask for an award of costs. The matter came to be heard on 7 September 2016 when Ms Jones of Counsel instructed by Messrs Chapman & co. represented the opponent; the applicant chose not to attend and was not represented .

GDL's EVIDENCE

5) GDL provided a witness statement, dated 1 April 2016, by Mr Huang the President of GDL, a position he has held for fourteen years. He states that his company began using the marks D1 SPEC and also the figurative mark shown at paragraph 2 above in Taiwan in 2006 and then started use worldwide. The first use in the UK is claimed to have been through authorised vendors in early 2008. He states that his company has reputation and goodwill in the UK as a result of its sales. He states that his company first became aware of YL's registration in September 2015. He provides the following exhibits:

- LH1: printouts from the website of GDL showing vehicles parts offered under both "D1 SPEC" and also the figurative mark as shown in paragraph 2 above, but which is dated 30 March 2016, after the relevant date.
- LH2: A letter authorising NitroxUKimport to sell goods under the marks "D1 SPEC" and the figurative mark on eBay during the period 1 January 2010 to 31 December 2016.
- LH3: Printouts from the eBay shop of NitroxUKimport which shows a wide range of parts for vehicles under the mark D1 SPEC and the figurative mark shown at paragraph 2 above. However, these pages are not dated and Mr Huang does not

state when he carried out the search. He states that UK sales in 2013 were in the region of £42,500.

- LH4: An invoice dated February 2008 from GDL to Engine Power Racing (EPR) in Loughborough for 91 various vehicle parts, under the D1 SPEC mark, totalling 66,239 Taiwan dollars the equivalent of just over USD 2,000 according to the figures shown on the invoice.
- LH5: An invoice dated May 2008 from GDL to EPR for 236 various vehicle parts, under the D1 SPEC mark, totalling 112,055 Taiwan dollars the equivalent of USD 3,700 according to the figures shown on the invoice.
- LH6: An invoice dated September 2008 from GDL to EPR for 45 various vehicle parts, under the D1 SPEC mark, totalling USD 454.
- LH7: Five invoices from GDL to EPR dated August 2011 (USD 948), December 2011 (USD 8,509), February 2012 (USD 3,150), June 2012 (USD 6,480) and September 2012 (USD 6,848). These total USD 25,935.
- LH8: This consists of a number of listings from eBay to NitroxUKimport during the period January 2011 to June 2013. These show a large number of vehicle parts under the brand D1 SPEC being listed on eBay for sale, and also shows the eBay identifier of the purchaser and the price paid.

YL's Evidence

6) Mr Yi Lin filed a witness statement dated 5 June 2016 in which he claims that GDL only show three sales prior to 2011 (exhibits LH 4-6 inclusive). He contends that GDL had no presence in the UK until its agent NitroxUKimport set up its eBay account on 19 January 2011. He points out that the turnover and marketing figures have not been substantiated and that GDL sells goods with either no brand or branded GDL. He contends that this means that a large proportion of the turnover figures would come from goods not those carrying the D1 marks. He claims to have been using the registered

mark since 2009, and contends he was selling goods under the mark on eBay in July 2010. He states that his company designs its own products and offers parts that GDL do not sell. He provides the following exhibits:

- YL1: A copy of eBay feedback for “nitroxUKimport” which states that the company has been a member of eBay since 19 January 2011.
- YL2 & 3: A copy of GDL’s website and a catalogue also from their website, which shows a large number of products with either no brand or branded GDL / VIOLENCE / AI POWER / RAIZIN THUNDER POWER as well as goods with the D1 SPEC brand.
- YL4 & 5: Email trails with two customers. In one stream there is a single mention of D1 SPEC wheel-nuts, with the customer enquiring on 30 November 2009 what type the seller has in stock. The other stream also has a request for “2 black d1 oil catch cans” dated 26 November 2009. I note that the name used for YL is “Linmod” whilst the email address is cooin@hotmail.com. These do not show use of the registered mark.
- YL6: A copy of YL’s eBay feedback page which is under the name “d1specuk” and has existed since 28 July 2010. It carries the registered mark upon the page. It is clear from the feedback comments that the mark in suit is not the only brand sold by on this site by YL.
- YL7: Print outs from YL’s eBay email showing sales of D1Spec goods from August 2010 mostly wheel nuts and oil catch cans.
- YL8 & 9: Copies of email inboxes from January 2011-August 2011 and also August 2011 – May 2016. There are a very large number of emails enquiring, mostly about D1 Spec parts.
- YL10: Undated examples of steering wheels and handbrakes offered for sale on eBay, which it is contended GDL do not sell. These pages have the registered mark upon them.

7) That concludes my summary of the evidence filed, insofar as I consider it necessary.

DECISION

8) The first ground of invalidity under section 47 based upon section 5(4)(a). The legislation reads:

“Section 47 states:

47. - (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).

(2) The registration of a trade mark may be declared invalid on the ground-

- (a) that there is an earlier trade mark in relation to which the conditions set out in section 5(1), (2) or (3) obtain, or
- (b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

(2A) But the registration of a trade mark may not be declared invalid on the ground that there is an earlier trade mark unless –

- (a) the registration procedure for the earlier trade mark was completed within the period of five years ending with the date of the application for the declaration,
- (b) the registration procedure for the earlier trade mark was not completed before that date, or
- (c) the use conditions are met.

(2B) The use conditions are met if –

- (a) within the period of five years ending with the date of the application for the declaration the earlier trade mark has been put to genuine use in the United Kingdom by the proprietor or with his consent in relation to the goods or services for which it is registered, or
- (b) it has not been so used, but there are proper reasons for non-use.

(2C) For these purposes –

- (a) use of a trade mark includes use in a form differing in elements which do not alter the distinctive character of the mark in the form in which it was registered, and
- (b) use in the United Kingdom includes affixing the trade mark to goods or to the packaging of goods in the United Kingdom solely for export purposes.

(2D) In relation to a European Union trade mark or international trade mark (EC), any reference in subsection (2B) or (2C) to the United Kingdom shall be construed as a reference to the European Union.

(2E) Where an earlier trade mark satisfies the use conditions in respect of some only of the goods or services for which it is registered, it shall be treated for the purposes of this section as if it were registered only in respect of those goods or services.

(2F) Subsection (2A) does not apply where the earlier trade mark is a trade mark within section 6(1)(c)

(3) An application for a declaration of invalidity may be made by any person, and may be made either to the registrar or to the court, except that-

- (a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and

(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

(4) In the case of bad faith in the registration of a trade mark, the registrar himself may apply to the court for a declaration of the invalidity of the registration.

(5) Where the grounds of invalidity exists in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made.

Provided that this shall not affect transactions past and closed.”

And:

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

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

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.”

9) Halsbury’s Laws of England (4th Edition) Vol. 48 (1995 reissue) at paragraph 165 provides the following analysis of the law of passing off. The analysis is based on guidance given in the speeches in the House of Lords in *Reckitt & Colman Products Ltd v. Borden Inc.* [1990] R.P.C. 341 and *Erven Warnink BV v. J. Townend & Sons (Hull) Ltd* [1979] AC 731. It is (with footnotes omitted) as follows:

“The necessary elements of the action for passing off have been restated by the House of Lords as being three in number:

(1) that the plaintiff's goods or services have acquired a goodwill or reputation in the market and are known by some distinguishing feature;

(2) that there is a misrepresentation by the defendant (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by the defendant are goods or services of the plaintiff; and

(3) that the plaintiff has suffered or is likely to suffer damage as a result of the erroneous belief engendered by the defendant's misrepresentation.

The restatement of the elements of passing off in the form of this classical trinity has been preferred as providing greater assistance in analysis and decision than the formulation of the elements of the action previously expressed by the House. This latest statement, like the House's previous statement, should not, however, be treated as akin to a statutory definition or as if the words used by the House constitute an exhaustive, literal definition of passing off, and in particular should not be used to exclude from the ambit of the tort recognised forms of the action for passing off which were not under consideration on the facts before the House."

10) Further guidance is given in paragraphs 184 to 188 of the same volume with regard to establishing the likelihood of deception or confusion. In paragraph 184 it is noted (with footnotes omitted) that:

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

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation among a relevant class of persons; and

(2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other feature which is the same or sufficiently similar that the defendant's goods or business are from the same source or are connected.

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

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court will have regard to:

(a) the nature and extent of the reputation relied upon;

(b) the closeness or otherwise of the respective fields of activity in which the plaintiff and the defendant carry on business;

(c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;

(d) the manner in which the defendant makes use of the name, mark etc. complained of and collateral factors; and

(e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.”

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

11) First I must determine the date at which GDL’s claim is to be assessed; this is known as the material date. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC as the Appointed Person considered the relevant date for the purposes of s.5(4)(a) of the Act and concluded as follows:

“39. In *Last Minute*, the General Court....said:

‘50. First, there was goodwill or reputation attached to the services offered by LMN in the mind of the relevant public by association with their get-up. In an action for passing off, that reputation must be established at the date on which the defendant began to offer his goods or services (*Cadbury Schweppes v Pub Squash* (1981) R.P.C. 429).

51. However, according to Article 8(4) of Regulation No 40/94 the relevant date is not that date, but the date on which the application for a Community trade mark was filed, since it requires that an applicant seeking a declaration of invalidity has acquired rights over its non-registered national mark before the date of filing, in this case 11 March 2000.’

40. Paragraph 51 of that judgment and the context in which the decision was made on the facts could therefore be interpreted as saying that events prior to the filing date were irrelevant to whether, at that date, the use of the mark applied for was liable to be prevented for the purpose of Article 8(4) of the CTM Regulation. Indeed, in a recent case before the Registrar, *J Sainsbury plc v. Active: 4Life Ltd* O-393-10 [2011] ETMR 36 it was argued that *Last Minute* had effected a fundamental change in the approach required before the Registrar to the date for assessment in a s.5(4)(a) case. In my view, that would be to read too much into paragraph [51] of *Last Minute* and neither party has advanced that radical argument in this case. If the General Court had meant to say that the relevant authority should take no account of well-established principles of English law in deciding whether use of a mark could be prevented at the application date, it would have said so in clear terms. It is unlikely that this is what the General Court can have meant in the light of its observation a few paragraphs earlier at [49] that account had to be taken of national case law and judicial authorities. In my judgment, the better interpretation of *Last Minute*, is that the General Court was doing no more than emphasising that, in an Article 8(4) case, the *prima facie* date for determination of the opponent’s goodwill was the date of the application. Thus interpreted, the approach of the General Court is no different from that of Floyd J in *Minimax*. However, given the consensus between the parties in this case, which I believe to be correct, that a date prior to the application date is relevant, it is not necessary to express a concluded view on that issue here.

41. There are at least three ways in which such use may have an impact. The underlying principles were summarised by Geoffrey Hobbs QC sitting as the Appointed Person in *Croom's TM* [2005] RPC 2 at [46] (omitting case references):

- (a) The right to protection conferred upon senior users at common law;
- (b) The common law rule that the legitimacy of the junior user's mark in issue must normally be determined as of the date of its inception;
- (c) The potential for co-existence to be permitted in accordance with equitable principles.

42. As to (b), it is well-established in English law in cases going back 30 years that the date for assessing whether a claimant has sufficient goodwill to maintain an action for passing off is the time of the first actual or threatened act of passing off: *J.C. Penney Inc. v. Penneys Ltd.* [1975] FSR 367; *Cadbury-Schweppes Pty Ltd v. The Pub Squash Co. Ltd* [1981] RPC 429 (PC); *Barnsley Brewery Company Ltd. v. RBNB* [1997] FSR 462; *Inter Lotto (UK) Ltd. v. Camelot Group plc* [2003] EWCA Civ 1132 [2004] 1 WLR 955: "date of commencement of the conduct complained of". If there was no right to prevent passing off at that date, ordinarily there will be no right to do so at the later date of application.

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

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

12) The mark in suit was applied for on 3 April 2013, and is, therefore, the material date. However, if YL had used his trade mark prior to this then this use must also be taken into account. It could, for example, establish that YL is the senior user, or that there had been

common law acquiescence, or that the status quo should not be disturbed; any of which could mean that YL's use would not be liable to be prevented by the law of passing-off – the comments in *Croom's Trade Mark Application [2005] RPC 2* and *Daimlerchrysler AG v Javid Alavi (T/A Merc) [2001] RPC 42* refer. At the hearing GDL contended:

“12. a) The remainder of the evidence relied upon by the Proprietor constitutes (a) a page showing that 'd1specuk' has been a member of ebay since 28 July 2010 in the UK [YL-6/Tab 19] and (b) print outs of what appears to be the Proprietor's email inbox showing subject headers/excerpts of what appear to be communications with ebay customers and notifications from ebay of sales made during the periods between August 2010 and May 2016 [YL-7/Tab 20, YL-8/Tab 21 and YL-9/Tab 22]. The said evidence does not show any use of the Mark (as the emails from ebay only refer to 'D1 SPEC' the word mark), nor does it show (at least with any clarity or certainty) how the Proprietor has used the 'D1 SPEC' mark, whether the use of the said mark served as an indicator of the Proprietor being the source of the goods and/or whether any sales were to UK customers.

b) The final piece of evidence at YL-10/Tab 23 shows use of the Mark on the Proprietor's ebay page (and shows advertisements for hand brakes and steering wheels) but the pages are undated.”

13) I do not accept all of these contentions. YL has provided evidence which he contends demonstrates use of his mark in 2009. However, the emails at exhibits YL 4 & 5 do not have the registered mark upon them merely the mark “D1 SPEC” used on wheel nuts and an enquiry from a customer regarding “d1” oil catch cans. To my mind, the first use of the registered mark is shown at exhibit YL6 which is the eBay account which has existed since 28 July 2010 and which shows use of the registered mark since this date on a variety of parts for vehicles. I accept that the evidence also shows that YL has used the term “D1 SPEC” since 30 November 2009 on wheel nuts, and the term “d1” since 26 November 2009 on oil catch cans.

14) I now turn to consider the evidence filed by GDL to determine when it began use of its marks and upon which goods. In determining this I take into account of the guidance in

case *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

15) However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its reputation may be small. In *Stacey v 2020 Communications* [1991] FSR 49, Millett J. stated that:

“There is also evidence that Mr. Stacey has an established reputation, although it may be on a small scale, in the name, and that that reputation preceded that of the defendant. There is, therefore, a serious question to be tried, and I have to dispose of this motion on the basis of the balance of convenience.”

16) I also take into account the comments in *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590 (COA).

17) GDL has provided invoices at exhibits L4 -6 which are dated February 2008 – September 2008 which shows sales of just over USD \$6,100 worth of parts for vehicles under the mark “D1 SPEC”. They have also shown that they signed an agreement for a UK company called NitroxUKimport to sell its D1 SPEC goods in the UK upon eBay (exhibit LH2). It is clear from the evidence of YL that this eBay account was active from January 2011. Whilst the evidence regarding the sales in 2008 was commented upon in YL’s evidence it was merely a comment that only three invoices had been filed. There was no challenge to the evidence in terms of its veracity, and no request was made for cross examination. I also note that YL has not suggested that these sales were anything other than genuine. The question raised by YL is whether such sales were sufficient to provide goodwill. GDL is a company which sells its goods in a number of countries worldwide. Clearly, when attempting to establish itself in a new market such as the UK its first steps will be relatively small, but the evidence of GDL shows clearly that whilst the initial steps were tentative it then went on to establish a larger share of the market for vehicle parts. To my mind the sales in 2008 were sufficient to provide GDL with goodwill in its D1SPEC mark as of September 2008 in respect of parts for vehicles. **The opponent therefore clears the first hurdle.**

MISREPRESENTATION

18) In *Neutrogena Corporation and Another v Golden Limited and Another*, 1996] RPC 473, Morritt L.J. stated that:

“There is no dispute as to what the correct legal principle is. As stated by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd. v. Borden Inc.* [1990] R.P.C. 341 at page 407 the question on the issue of deception or confusion is

“is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents'[product]”

The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148 . The necessity for a substantial number is brought out also in *Saville*

Perfumery Ltd. v. June Perfect Ltd. (1941) 58 R.P.C. 147 at page 175 ; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

And later in the same judgment:

“... for my part, I think that references, in this context, to “more than *de minimis*” and “above a trivial level” are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993) . It seems to me that such expressions are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”


“The role of the court, including this court, was emphasised by *Lord Diplock in GE Trade Mark* [1973] R.P.C. 297 at page 321 where he said:

‘where the goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a “jury question”. By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

The question does not cease to be a “jury question” when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge's approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are

entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.”

19) Whilst it is well established that it is not necessary for the parties to a passing-off action to be in the same area of trade or even a related area of trade (*Harrods Ltd v Harrodian School Ltd* [1996] RPC 697 (CA)) in the instant case it is clear that both parties are engaged in the same market. The marks of the two parties are shown below:

YL’s mark	GDL’s mark
	D1 SPEC

20) It is clear that the distinctive elements of both marks are the terms “D1” and “SPEC” / “Spec”. Although YL’s mark also has the words “MOTOR RACING SPORTS” these would be seen as descriptive of the goods and services involved in the instant case. Because of this, use of the registered mark, whether actual or on a fair and notional basis would result in GDL’s customers and potential customers being deceived into thinking that the goods of YL are those of GDL. Accordingly, it seems to me that the necessary misrepresentation required by the tort of passing off will occur.

21) Consequently, in the instant case, as GDL has established a goodwill and shown deception, then damage can be considered as the automatic sequitur in relation to the goods and services in classes 6, 9, 11, 12 and 35 and the three elements of the classic trinity of passing-off will have been established. The use of the mark in suit in relation to the goods and services for which it is registered will erode the distinctiveness of GDL’s earlier mark and/or result in a loss of control of the goodwill associated with the mark D1 SPEC. **The opposition under Section 5(4)(a) therefore succeeds in respect of the goods and services in classes 6,9,11, 12 and 35.**

22) I next turn to the ground of invalidity under section 3(6) of the Act which reads:

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

23) Section 3(6) has its origins in Article 3(2)(d) of the Directive, which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that....

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

24) The law in relation to section 3(6) of the Act (“bad faith”) was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch):

“130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see *Case C- 529/07 Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. *Case C-259/02 La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and *Case C-192/03 Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people.

The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

25) It is well established (paragraph 33 sub section 131 above refers) that the relevant date for consideration of a bad faith claim is the application's filing date or at least a date no later than that. In the instant case the relevant date is 3 April 2013.

26) In asserting that the mark was applied for in bad faith, the onus rests with the applicant for invalidity to make a prima facie case. A claim that a mark was applied for in bad faith implies some action by the proprietor which a reasonable person would consider to be unacceptable behaviour or, as put by Lindsay J. in the *Gromax* trade mark case [1999] RPC 10:

“includes some dealings which fall short of the standards of acceptable commercial behaviour”.

27) In *Malaysia Dairy Industries Pte Ltd v Ankenævnet for Patenter og Varemærker* Case C-320/12, the CJEU held that merely knowing that a trade mark was in use by another in another jurisdiction did not amount to bad faith under Article 4(4)(g) of the Directive (s.3(6) of the Act). The court found that:

“2. Article 4(4)(g) of Directive 2008/95 must be interpreted as meaning that, in order to permit the conclusion that the person making the application for registration of a trade mark is acting in bad faith within the meaning of that provision, it is necessary to take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration. The fact that the person making that application knows or should know that a third party is using a mark abroad at the time of filing his application which is liable to be confused with the mark whose registration has been applied for is not sufficient, in itself, to permit the conclusion that the person making that application is acting in bad faith within the meaning of that provision.

3. Article 4(4)(g) of Directive 2008/95 must be interpreted as meaning that it does not allow Member States to introduce a system of specific protection of foreign marks which differs from the system established by that provision and which is based on the fact that the person making the application for registration of a mark knew or should have known of a foreign mark.”

28) In *Daawat Trade Mark* [2003] RPC 11, Mr Geoffrey Hobbs QC, as the Appointed Person, upheld a decision to invalidate a registration under s.47 and s.3(6) of the Act. He did so on the basis that it had been established that the application for registration was:

- made in the knowledge of the applicant's trade in identical goods under an identical mark in other markets, and
- motivated by a desire to pre-empt the applicant's entry into the UK market in order to secure a commercial advantage in negotiations with the trade mark holder.

29) The issue must be determined on the balance of probabilities. On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on YL's state of mind regarding the application for registration if I am satisfied that his actions in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

30) At the hearing GDL contended:

"18. In summary, as a result of the facts and matters set out above and making an overall assessment, it is inconceivable that a) the Proprietor was not aware of the Applicant's use of the Mark in relation to identical or similar goods in the UK, and b) that when applying to register the Mark he did not intend to prevent the Applicant from continuing to use the Mark in the UK. In the circumstances, such conduct falls short of the standards of acceptable commercial behaviour judged by the ordinary standards of honest people."

31) To my mind, YL has provided no explanation as to how he devised his registered mark. It beggars belief that he independently came up with exactly the same figurative mark as used by GDL when competing in exactly the same business. Clearly, YL appropriated, lock stock & barrel, the trade mark which GDL had been using in Taiwan and various other countries since 2006. The only reason for copying a mark is to take

advantage of its reputation and goodwill and therefore **the application was filed in bad faith and so the ground of opposition under section 3(6) succeeds in full.**

CONCLUSION

32) As the invalidity under Sections 5(4)(a) and 3(6) have both been successful the registration will be deemed to have never been made.

COSTS

33) As GDL has been successful it is entitled to a contribution towards its costs.

Expenses	£200
Preparing a statement and considering the other side's statement	£300
Preparing evidence	£500
Hearing	£1200
TOTAL	£2,200

32) I order Mr Yi Lin to pay the sum of £2,200 to Gau Donq Lih Limited. This sum to be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 8th day of September 2016

G W Salthouse

For the Registrar

the Comptroller-General