

**O/0515/23**

**TRADE MARKS ACT 1994**

**IN THE MATTER OF APPLICATION NO. 3796045  
AND THE REQUEST BY WUHAN QILIN TECHNOLOGY CO. LTD**

**TO REGISTER THE TRADE MARK**

**NECK CLOUD**

**IN CLASS 20**

**AND**

**IN THE MATTER OF OPPOSITION THERETO UNDER NO. 435077  
BY SHENZHEN AIKE TECHNOLOGY CO. LTD**

## Background and pleadings

1. On 7 June 2022 Wuhan Qilin Technology Co. Ltd (“**the Applicant**”) applied to register the plain text words “NECK CLOUD” as a UK trade mark. On 24 June 2022, the application was published for opposition purposes in respect of the following goods:

**Class 20:** Furniture; Neck support cushions; Neck pillows; Bolsters; Latex pillows; Camping mattresses; Sleeping mats for camping [mattresses]; Air pillows, not for medical purposes; Pillows; Mirrors; Works of art of bamboo; Nameplates, not of metal; Pet cushions; Fodder racks; Inflatable neck support cushions; Inflatable pillows; Packaging containers of plastic; Inflatable furniture; Portable desks; Racks [furniture].

2. On 19 July 2022, the application was opposed, in full by Shenzhen Aike Technology Co. Ltd (“**the Opponent**”) under section 5(4)(a) and section 3(6) of the Trade Marks Act (“**the Act**”). The Opponent relies upon the following sign:

<p>NECK CLOUD</p> <p>Used throughout the UK since 27 April 2022</p>	<p>Used in respect of:</p> <p>Air pillows; Air pillows, not for medical purposes; Bedroom furniture; Beds, bedding, mattresses, pillows and cushions; Bolsters; Head supporting pillows; Inflatable neck support cushions; Inflatable pillows; Inflatable pillows [other than for medical use] for fitting around the neck; Latex pillows; Memory foam pillows; Neck pillows; Neck pillows [other than for medical or surgical use]; Neck rolls [other than for medical or surgical use]; Neck support cushions; Neck-supporting pillows; Neckrolls other than for medical or surgical use; Nursing pillows; Pillowforms; Pillows; Scented pillows; Stuffed pillows; Travel pillows; U-shaped pillows; Water pillows, other than for medical purposes.</p>
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## The Opponent's case

3. Under section 5(4)(a), the Opponent submits that:

- (i) it has continuously used the earlier sign in the UK and has generated protectable goodwill;
- (ii) the Applicant's mark covers goods identical or similar to those in respect of which the Opponent has used the earlier sign;
- (iii) use of the Applicant's mark is likely to be contrary to the law of passing off because it would constitute a misrepresentation, for example, based on the consumer's assumption of an economic connection between the parties when none exists. Damage to the Opponent's goodwill would be an inevitable consequence.

4. Under section 3(6), the Opponent refers to the judgment in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* (1999) RPC 367, where Lindsay J stated:

"I shall not attempt to define bad faith in this context. Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined."

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

6. The Opponent requests that the application be refused in its entirety, or alternatively that it be refused in part should the grounds succeed partially. The Opponent requests an award of costs.

### The Applicant's case

7. The Applicant filed a counterstatement where it accepted that the “goods are similar or identical” and that the “marks are clearly similar.” In respect of the section 5(4)(a) ground, the Applicant contests that:

- (i) the Opponent has used its sign for all the goods indicated in the opposition;
- (ii) the use of its mark would be contrary to the law of passing off;
- (iii) the use of its mark would constitute a misrepresentation;
- (iv) the Opponent had goodwill in the sign at the date of filing of the application;
- (v) that the use of its mark would cause damage to the Opponent's goodwill.

8. In respect of the section 3(6) ground, the Applicant contests that:

- (i) that the application was filed in bad faith;
- (ii) there was a dishonest intention on the side of the Applicant at the time of filing the application.

### *Representation and papers filed*

9. Only the Opponent filed evidence in these proceedings, through the witness statement, dated 21 November 2022, of Wen Shen, CEO of “the company” (which I shall take to refer to the Opponent company). Wen Shen introduces 2 Exhibits, referred to as Exhibit 1 and Exhibit 2, showing use of its sign. With their evidence, Wen Shen provides a completed “Statement of Use” pro-forma, which is a document made available on the website of the Intellectual Property Office for parties to show genuine use of trade marks. All of the information in the Statement of Use appears in the witness statement and exhibits, so while I acknowledge the Statement of Use, I will not make specific reference to it in my decision.

10. In these proceedings, the Opponent is represented by Gloria Qsing, the Applicants by Akos Suele, LL.M. Neither party filed submissions beyond those made in the notice of opposition and the defence and counterstatement. Neither party

requested a hearing and so this decision is taken following a careful review of the papers.

## **Decision**

11. 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 EU trade mark law.

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

12. Section 5(4)(a) states:

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

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

(aa) [...]

(b) [...]

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

13. Subsection (4A) of section 5 states:

“(4A) The condition mentioned in subsection (4)(a) is that the rights to the unregistered trade mark or other sign were acquired prior to the date of

application for registration of the trade mark or date of the priority claimed for that application.”

14. In *Reckitt & Colman Products Limited v Borden Inc. & Ors* [1990] RPC 341, HL, Lord Oliver of Aylmerton described the ‘classical trinity’ that must be proved in order to reach a finding of passing off:

“First, he must establish a goodwill or reputation attached to the goods or services which he supplies in the mind of the purchasing public by association with the identifying ‘get-up’ (whether it consists simply of a brand name or a trade description, or the individual features of labelling or packaging) under which his particular goods or services are offered to the public, such that the get-up is recognised by the public as distinctive specifically of the plaintiff’s goods or services. Secondly, he must demonstrate a misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe that the goods or services offered by him are the goods or services of the plaintiff. Thirdly, he must demonstrate that he suffers or, in a quia timet action, that he is likely to suffer damage by reason of the erroneous belief engendered by the defendant’s misrepresentation that the source of the defendant’s goods or services is the same as the source of those offered by the plaintiff.”<sup>1</sup>

15. Halsbury’s Laws of England Vol. 97A (2021 reissue) provides further guidance with regard to establishing the likelihood of deception:

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

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

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<sup>1</sup> Page 406.

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

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

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

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

In assessing whether deception is likely, the court attaches importance to the question whether the defendant can be shown to have acted with a fraudulent intent, although a fraudulent intent is not a necessary part of the cause of action.”<sup>2</sup>

16. In the absence of evidence of use of the contested mark by the Applicant from a date prior to the date of filing the contested application, the relevant date for establishing the Opponent’s claimed passing off right is the filing date of the application, in this case 7 June 2022. Events after that date are, in principle, irrelevant, except to the extent that they shed light backwards on the position at the relevant date.<sup>3</sup>

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<sup>2</sup> Paragraph 636 with footnotes omitted.

<sup>3</sup> *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O/410/11.

## *Goodwill*

17. The Opponent must show that its business had sufficient goodwill which was distinguished by use of the sign NECK CLOUD at the relevant date so that it can be concluded that misrepresentation would occur, and damage would follow. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1902] AC 217:

“What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has the power of attraction sufficient to bring customers home to the source from which it emanates.”<sup>4</sup>

18. The requisite goodwill must be based on the presence of customers in the UK. Customers situated elsewhere do not contribute to the required goodwill in the UK,<sup>5</sup> so the Opponent’s claim to have customers in “other EU countries” including France, Germany, Italy and Spain and its evidence of sales in France, Spain and Germany do not assist the Opponent.

19. The Opponent’s evidence is brief, with Exhibit 1 comprising of a listing for the Opponent’s neck support/pillow on Amazon.co.uk and Exhibit 2 comprising of a series of order confirmations for sales of the Opponent’s product made through Amazon on a single day, 27 April 2022. Wen Shen’s witness statement includes some narrative about use of the sign, with the following statements being made:

(i) “We have been using the trade mark since (April, 2022), initially in its shop in Amazon in 2022.”

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<sup>4</sup> At [224].

<sup>5</sup> See *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*, [2015] UKSC 31.

(ii) “I confirm that the full range of items was also available in-store. The trade mark is clearly visible on the website.”

The reference to the “full range of items” appears to refer to the list of goods in respect of which the Opponent claims to have used its sign, however, the evidence only shows a neck support/pillow.

(iii) “Advertising expenditure was roughly £18,223.31 in each year of the relevant period.”

The “relevant period” referred to in the witness statement is not defined, however, the Amazon ads data provided for the promotional campaigns for each colour of the Opponent’s neck support/pillow cover the date range August 17 2022 to 14 November 2022, which is after the relevant date and so does not assist the Opponent in proving goodwill by the relevant date. In addition, no detail is provided of what the promotional activity involved.

(iv) “Turnover in the relevant period was as follows:

2022 £871,565.123”

	B	C	D	E	F	G	H	I	J
A5	Title	Units orde	Units orde	Ordered product	Ordered ps	Total orde	Total order	items - B2B	
B	Neck Stretcher, Neck Cloud, Neck	29,476	343	£769,555.56	£8,940.70	29,340	320		
2	Neck Stretcher, Neck Cloud, Neck	9,887	73	£257,052.91	£1,885.87	9,856	72		
4	Neck Stretcher, Neck Cloud, Neck	3,934	23	£101,752.51	£601.52	3,913	23		

In the context of turnover, it appears that the “relevant date” referred to by Wen Shen mostly refers to a period after the relevant date of 7 June 2022. This is because the date range for sales shown in the Amazon business reports data covers the period between 27 April 2022 and 13 November 2022:

## Business reports | Detail page sales and traffic by child item [Learn more](#)

1 We've added B2B traffic columns and made an update to how we calculate B2B conversion. [Learn more here.](#)

From date  To date

[Download CSV](#)

<input type="checkbox"/>	(Child) ASIN <small>↑</small>	Title <small>↑</small>	Units ordered <small>↑</small>	Units ordered - B2B <small>↑</small>	Ordered product sales <small>↑</small>	Ordered product sales - B2B <small>↑</small>	Total order items <small>↑</small>	Total order items - B2B <small>↑</small>
<input checked="" type="checkbox"/>	B08BLCB5HX	Neck Stretcher, Neck Cloud, Neck Cloud - Cervical Traction Device, Neck Pain Relief, Neck Traction, Neck Pain Relief Pillow - Blue	29,476	343	£769,555.56	£8,940.70	29,340	320
<input type="checkbox"/>	B0865HTF69	Neti Pot, Sinus Rinse Kit, Neti Pot Sinus Rinse, 300ml Neti Pot Sinus Rinse Kit with 60 Packets Nasal Wash Salt and Thermometer Sticker, Nasal Sinus Rinse Kit for Adult & Kid (300ml)	25,612	146	£364,839.02	£2,085.01	25,268	141
<input checked="" type="checkbox"/>	B09G2TDY2P	Neck Stretcher, Neck Cloud, Neck Cloud - Cervical Traction Device, Neck Pain Relief, Neck Traction, Neck Flexi, Neck Pain Relief Pillow - Green	9,887	73	£257,052.91	£1,885.87	9,856	72
<input checked="" type="checkbox"/>	B0838VVT4R	Neck Stretcher, Neck Cloud, Neck Cloud - Cervical Traction Device, Neck Pain Relief, Neck Traction, Neck Flexi, Neck Pain Relief Pillow - Dark Blue	3,934	23	£101,752.51	£601.52	3,913	23

20. It is impossible to know how much of the reported turnover related to the period between 27 April 2022 and 7 June 2022, the order confirmations at Exhibit 2 show that on 27 April 2022 some 27 orders of the Opponent's green coloured neck support/pillow were placed by customers in different parts of the UK. One such order is reproduced below:

**Order details** Order ID: # 203-1947524-5741112 Your Seller Order ID: # 203-1947524-5741112

[Go back to List Orders](#) [Manage Invoice](#) [Refund Order](#) [Request a Review](#)

**Order summary**

Amazon's Ship By: **Thu, Apr 28, 2022** Shipping service: **Expedited**  
 Purchase date: Wed, Apr 27, 2022, 12:57 PM MEST Fulfillment: Amazon  
 Sales channel: Amazon.co.uk

**Ship to**

EASTBOURNE   
 United Kingdom Contact Buyer:

**More details**

Tax Collection Model: MarketplaceFacilitator Legislation: UK VAT on eCommerce Tax Collection Responsible Party: Amazon Services Europe S.a.r.L.

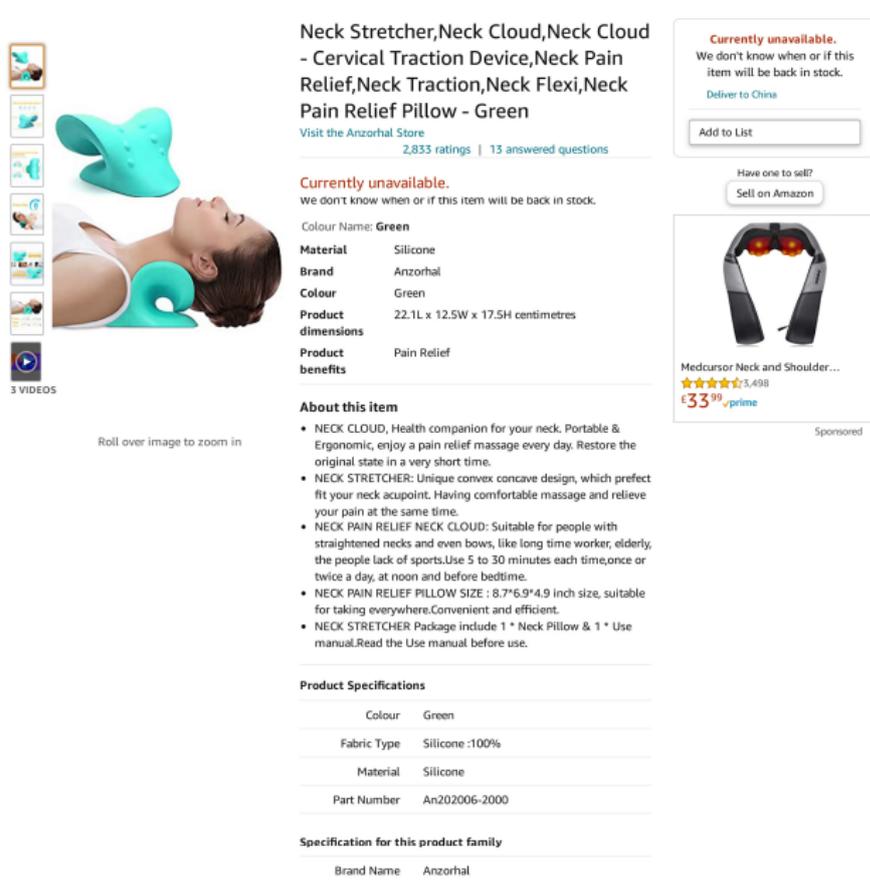
**Order contents**

Status	Image	Product name	More information	Quantity	Unit price (VAT exclusive)	Unit price (VAT inclusive)	Proceeds
<span>Payment complete</span>		Neck Stretcher, Neck Support, Neck Pain Relief, Neck Cloud, Neck Pain, Neck pain relief pillow, Neck Traction, Neck Flexi- Green ASIN: B09G2TDY2P SKU: 34-B47E-FTI3	Order Item ID: 22452795516139	1	£19.99	£23.99	<p><span>1</span> Net Proceeds will not include VAT/tax for Marketplace Facilitator order</p> <p>VAT Total</p> <p>Item subtotal: £23.99 £4.00</p> <p>Item total: £23.99 £4.00</p>

21. From the foregoing I consider that the Opponent has shown that sales of its neck support/pillow were made prior to the relevant date, though it is not possible to gauge how significant these sales were, nor how the goods were promoted. I will now consider how the Opponent's products were sold.

22. As previously mentioned, Exhibit 1 comprises a listing on Amazon’s UK website. The Exhibit shows that the extract was taken from the website on 21 November 2022. Though this date is after the relevant date of 7 June 2022, the listing indicates that the product has been available since 22 June 2020. For the purpose of continuing my analysis, I will proceed on the basis that the listing shown on 21 November 2022 was unchanged from that which was available prior to the relevant date. The Opponent has provided no evidence or submissions to indicate that this would not be the case.

23. The first part of the Amazon listing is reproduced below:



**Neck Stretcher, Neck Cloud, Neck Cloud - Cervical Traction Device, Neck Pain Relief, Neck Traction, Neck Flexi, Neck Pain Relief Pillow - Green**

Visit the Anzorhal Store  
2,833 ratings | 13 answered questions

**Currently unavailable.**  
We don't know when or if this item will be back in stock.

Colour Name: **Green**

<b>Material</b>	Silicone
<b>Brand</b>	Anzorhal
<b>Colour</b>	Green
<b>Product dimensions</b>	22.1L x 12.5W x 17.5H centimetres
<b>Product benefits</b>	Pain Relief

**About this item**

- NECK CLOUD, Health companion for your neck. Portable & Ergonomic, enjoy a pain relief massage every day. Restore the original state in a very short time.
- NECK STRETCHER: Unique convex concave design, which perfect fit your neck acupoint. Having comfortable massage and relieve your pain at the same time.
- NECK PAIN RELIEF NECK CLOUD: Suitable for people with straightened necks and even bows, like long time worker, elderly, the people lack of sports. Use 5 to 30 minutes each time, once or twice a day, at noon and before bedtime.
- NECK PAIN RELIEF PILLOW SIZE : 8.7\*6.9\*4.9 inch size, suitable for taking everywhere. Convenient and efficient.
- NECK STRETCHER Package include 1 \* Neck Pillow & 1 \* Use manual. Read the Use manual before use.

Product Specifications	
Colour	Green
Fabric Type	Silicone :100%
Material	Silicone
Part Number	An202006-2000

**Specification for this product family**

Brand Name	Anzorhal
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24. I note the product is described as a “Neck Stretcher, Neck Cloud – Cervical Traction Device, Neck Pain Relief, Neck Traction, Neck Flexi, Neck Pain Relief Pillow – Green.” Though the Opponent’s sign “NECK CLOUD” appears within this list, the terms that surround it describe the nature or intended purpose of the product. Elsewhere in the listing in Exhibit 1, it can be seen that other businesses refer to their neck supports/pillows as “neck clouds” and in each case, the term appears within a list of clearly descriptive terms:



**HONGJING** Neck pain relief

Neck Stretcher, Neck Cloud -Cervical Traction...  
 ★★★★★ 436  
 £19<sup>95</sup> prime

Sponsored



Neck and Shoulder Relaxer, Portable Cervical Traction Device Neck Stretcher, Neck Pos...

559  
 £24.64 (€24.64/count)



Neck Stretcher, Neck Cloud, Neck Cloud - Cervical Traction Device, Neck Pain...

1  
 £16.99 (€34.67/kg)



CALDOLT Neck Stretcher for Neck Pain – Memory Foam Neck Cloud Cervical Traction Cus...

33  
 £23.99 (€23.99/count)



BACK - Neck Stretcher, Neck Cloud - Cervical Traction Device for Pain Relief and Re...

20  
 £29.99 (€29.99/count)



Neck Stretcher, Neck Cloud, Neck Cloud - Cervical Traction Device, Neck Pain...

344  
 £25.99 (€25.99/count)



Neck and Shoulder Relaxer, Cervical Traction Device for TMJ Pain Relief and Cervical Spi...

38,447  
 #1 Best Seller in Traction Equipment  
 £14.50 (€14.50/count)  
 Get it as soon as Friday, Dec 23  
 £14.99 delivery



REARAND® Neck Stretcher, Neck and Shoulder Relaxer, Neck Cloud for TMJ Pain Relief and Cervical Spine...

1,197  
 £19.99  
 Get it as soon as Friday, Dec 23  
 £15.28 delivery



Neck Pain Relief, Neck Cloud - Cervical Traction Device, Neck Stretcher, Kenko Back

21  
 £22.99 (€22.99/count)  
 Get it as soon as Friday, Dec 23  
 £15.80 delivery



Neck Stretcher, Neck Cloud, Neck Pain Relief, Neck Cloud - Cervical Traction Device, Neck Hump...

196  
 £25.99  
 Get it as soon as Friday, Dec 23  
 £14.42 delivery



Neck Stretcher, Neck Cloud, Neck Cloud - Cervical Traction Device, Neck Pain Relief, Neck Traction, Ne...

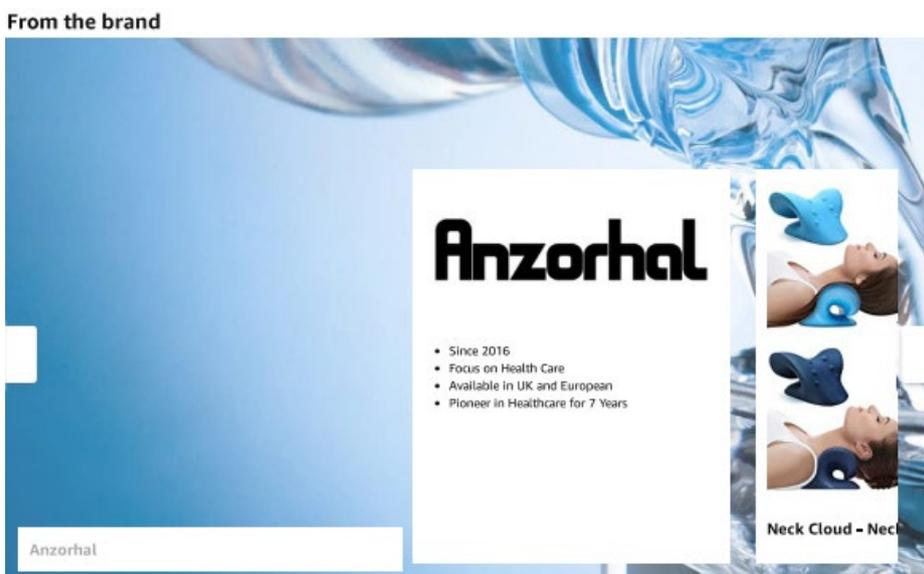
344  
 £25.99 (€25.99/count)  
 Get it as soon as Friday, Dec 23  
 £14.50 delivery

25. Though it has been established that the sign being relied upon need not be exclusively distinctive (*Associated Newspapers Ltd v Express Newspapers* [2003] FSR 51 (HC)), it is necessary for the sign to have been used to distinguish the goods. In *Wild Child Trade Mark* [1998] RPC 455 (AP), the Appointed Person, Geoffrey Hobbs K.C. stated:

“My difficulty with regard to the use of the words WILD CHILD as part of the overall get-up of such sweatshirts is that I would not expect people to interpret the

use of those words in that manner as an indication of trade origin. I therefore cannot see any basis for the suggestion that people in the world at large will have been educated by means of such use to infer that “complete articles of outer clothing; footwear and headgear” supplied under or by reference to the trade mark WILD CHILD are connected in the course of trade or business with the undertaking responsible for supplying sweatshirts embellished in the way I have described. On that view of it the evidence tendered on behalf of the Opponent does not actually demonstrate that the words WILD CHILD have been used by the Opponent in a manner sufficient to cause them to be misleading when used as a trade mark for the goods of interest to the Applicant.”

26. The term “NECK CLOUD” is not in my view immediately descriptive, however, the manner in which it appears within a list of descriptive terms in the Opponent’s listing, and the fact that other entities use the same term, indicates that consumers would not see the sign “NECK CLOUD” as distinctive specifically of the Opponent’s goods. I consider it more likely that consumers would refer to the Opponent’s brand “Anzorhal”<sup>6</sup> for the purpose of distinguishing the Opponent’s goods from those of other entities providing neck supports/pillows. In Exhibit 1, the Amazon listing includes more information about Anzorhal under the title “From the brand”:



<sup>6</sup> The extract from Exhibit 1, reproduced at my paragraph 23 indicates the brand of the product as “Anzorhal.”

27. Also in Exhibit 1, three different brand names appear in relation to the alternative neck supports/pillows shown, these being “HONGJING”, “CALDOLT” and “REARAND.”<sup>7</sup>

28. In Exhibit 2, the product description appears together with the words “by Anzorhal”:



29. I remind myself that to establish a likelihood of deception, the Opponent needed to show (i) that a name, mark or other distinctive indicium used by it had acquired a reputation among a relevant class of persons and (ii) that members of that class would mistakenly infer from the Applicant’s use of a name, mark or other indicium which is the same or sufficiently similar that the Applicant’s goods or business are from the same source or are connected.

30. The Opponent has not shown that its sign “NECK COUD” had acquired a reputation among the relevant consumers of neck supports/pillows. This is because the manner in which the sign has been shown to be used indicates that it is a description, rather than a distinctive sign, with consumers being more likely to see the Opponent’s brand name “Anzorhal” as the distinctive indicium of the Opponent’s goods. Even if consumers were to see “NECK CLOUD” as distinctive of the Opponent, the problems with the evidence concerning the lack of clarity of the turnover and promotional activity, and the limited examples of use prior to the relevant date mean that protectable goodwill would not have been shown.

31. The Opponent’s claim under section 5(4)(a) falls at the first hurdle of demonstrating protectable goodwill by the relevant date.

32. The Opposition based upon section 5(4)(a) fails.

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<sup>7</sup> See extracts from Exhibit 1 reproduced at my paragraph 24.

## Section 3(6)

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

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

34. In *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacılık Tekstil Sanayi ve Ticaret AŞ*, Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v EUIPO, Kreativni Dogaaji d.o.o. intervening*, Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v OHIM, Pelikan Vertriebsgesellschaft mbH & Co KG (intervening)*, Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening)*, Case T-507/08, EU:T:2011:46. It summarised the law as follows:

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

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].
2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].
3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in

order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacılık* at [45].

4. The concept of bad faith, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct which departs from accepted standards of ethical behaviour or honest commercial and business practices: *Hasbro* at [41].

5. The date for assessment of bad faith is the time of filing the application: *Lindt* at [35].

6. It is for the party alleging bad faith to prove it: good faith is presumed until the contrary is proved: *Pelikan* at [21] and [40].

7. Where the court or tribunal finds that the objective circumstances of a particular case raise a rebuttable presumption of lack of good faith, it is for the applicant to provide a plausible explanation of the objectives and commercial logic pursued by the application: *Hasbro* at [42].

8. Whether the applicant was acting in bad faith must be the subject of an overall assessment, taking into account all the factors relevant to the particular case: *Lindt* at [37].

9. For that purpose it is necessary to examine the applicant's intention at the time the mark was filed, which is a subjective factor which must be determined by reference to the objective circumstances of the particular case: *Lindt* at [41] – [42].

10. Even where there exist objective indicia pointing towards bad faith, however, it cannot be excluded that the applicant's objective was in pursuit of a legitimate objective, such as excluding copyists: *Lindt* at [49].

11. Bad faith can be established even in cases where no third party is specifically targeted, if the applicant's intention was to obtain the mark for purposes other than those falling within the functions of a trade mark: *Koton Mağazacılık* at [46].

12. It is relevant to consider the extent of the reputation enjoyed by the sign at the time when the application was filed: the extent of that reputation may justify the applicant's interest in seeking wider legal protection for its sign: *Lindt* at [51] to [52].

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

35. Whether it is bad faith to apply for a trade mark without any intention to use it in relation to the specified goods and services was considered in *Sky v Skykick*, CJEU, Case C-371/18, EU:C:2020:45 ("*Sky CJEU*") and *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 ("*Sky CA*"). The law appears to be as follows:

(a) Applying to register a trade mark without an intention to use it is not bad faith *per se*. Therefore, it is not necessary for the trade mark applicant to be using, or have plans to use, the mark in relation to all the goods/services covered by the specification: *Sky CJEU*.

(b) The bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing his or her application, that applicant had no economic activity corresponding to the goods and services referred to in that application: *Sky CJEU*.

(c) However, where the trade mark application is filed without an intention to use it in relation to the specified goods and services, and there is no rationale for the application under trade mark law, it may constitute bad faith. Such bad faith may be established where there are objective, relevant and consistent indications showing that the applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining,

without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark: *Sky CJEU*.

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

37. An allegation of bad faith is a serious allegation which must be distinctly proved.<sup>8</sup> The burden is on the Opponent to prove its allegation of bad faith. Then, if a prima facie case of bad faith has been made out, the question of the Applicant's rebuttal becomes relevant. The Opponent has provided no evidence supporting its allegation of bad faith, nor has it provided any submissions beyond the text in statement of grounds reproduced above. With no evidence or detail of bad faith, the Opponent has failed to prove the claim and the opposition under section 3(6) fails.

### **Overall outcome**

38. The opposition under section 5(4)(a) and section 3(6) fails and the application may proceed to registration.

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<sup>8</sup> *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch).

## Costs

39. The Applicant has been successful in these proceedings and is entitled to a contribution towards its costs based upon the scale published in Tribunal Practice Notice 2/2016. The costs awarded reflect the fact that the Applicant filed no submissions beyond the brief defence in its counterstatement and filed no evidence.

Preparing a statement and considering the other side's statement	£200
Considering the other side's evidence	£300
TOTAL	£500

40. I order Shenzhen Aike Technology Co. Ltd to pay Wuhan Qilin Technology Co. Ltd the sum of £500. This sum is to be paid within twenty-one days of the expiry of the appeal period or within twenty-one days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 2nd day of June 2023**

**Charlotte Champion**  
**For the Registrar**