O/0307/26

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK REGISTRATION NO. UK00003875698
IN THE NAME OF YINGHAI TECHNOLOGY (GUANGZHOU) CO., LTD.
FOR THE FOLLOWING TRADE MARK:

2Bmagic

IN CLASS 3

AND

AN APPLICATION FOR A DECLARATION OF INVALIDITY
UNDER NO. 507240
BY GRN HOLDINGS LIMITED

BACKGROUND AND PLEADINGS

1. On 8 February 2023, Yinghai Technology (Guangzhou) Co., Ltd. ("the proprietor") applied to register the mark shown on the cover page of this decision ("the proprietor's mark") in the UK. The mark was registered on 28 April 2023. It stands registered for the following goods:

> Class 3: *Perfumery, essential oils; Anti-perspirant deodorants; Hair dyes; Depilatory creams; Depilatory wax; Adhesives for false eyelashes, hair and nails; Colour cosmetics;Self tanning lotions [cosmetic];Self tanning creams [cosmetic]; Self-tanning preparations [cosmetics];Suntan creams; Temporary tattoos for cosmetic purposes; After sun creams; False eyelashes; Nail gel; Sun-tanning creams and lotions; Sun-tanning gels; Sun-tanning oils; Sun-tanning preparations [cosmetics];Cleaner for cosmetic brushes.*

2. On 17 April 2024, GRN Holdings Limited ("the cancellation applicant") applied to have the proprietor's mark declared invalid under section 47 of the Trade Marks Act 1994 ("the Act"). The invalidation is based on sections 5(2)(b), 5(3), 5(4)(a) and 3(6). In respect of the 5(2)(b) and 5(3) grounds, the cancellation applicant relies on the following mark:

> 2BTanned
>
> UK registration no. UK003685824
> Filing date 24 August 2021; date of entry in register 3 December 2021
> Relying on all of its goods, namely:
>
> Class 3: *Skin colouring liquid, skin bronzers, tanning accelerators, bronzing gelees, instant skin bronzers, tanning lotions, sunless tanning preparations, skin moisturiser.*

3. Under its 5(2)(b) ground, the cancellation applicant claims that due to the similarity between the parties' marks and the identity and/ or high similarity of the goods at issue, there exists a likelihood of confusion on the part of the relevant public, which includes the likelihood of association.

4. Under its 5(3) ground, the cancellation applicant claims that it has obtained a reputation in the UK in its marks for all its goods and use of the application would take unfair advantage

of, and/or be detrimental to, the distinctive character or the repute of the cancellation applicant's marks.

5. Under its 5(4)(a) ground, the cancellation applicant claims to have obtained goodwill in two unregistered signs in the UK since 24 February 2021 in relation to *"cosmetics, toiletries, beauty products and the sale and supply thereof,"* the signs are displayed below:

6. Under this ground, the cancellation applicant argues that it has obtained goodwill in connection with the signs relied upon and that use of the application in the UK would constitute a misrepresentation as it would lead the relevant public to believe that there is a commercial connection between the parties. This, the cancellation applicant argues, would lead to damage to the cancellation applicant and its goodwill meaning that the cancellation applicant is entitled to prohibit the use of the application under the law of passing off.

7. Under section 3(6) of the Act, the cancellation applicant claims that the proprietor conceived its mark with knowledge of the earlier mark and that it has made a deliberate attempt to mimic its business and acquire the cancellation applicant's custom. As such, the cancellation applicant claims that the mark was filed and registered in bad faith.

8. The applicant filed a counterstatement denying the claims made.

9. The cancellation applicant is represented by Harper Macleod LLP; the proprietor is represented by Pablo Albert Catala. Only the cancellation applicant filed evidence in chief. No hearing was requested. Only the cancellation applicant filed written submissions in lieu of a hearing. The decision is taken following a careful perusal of the papers.

10. The provisions of the act relied upon in these proceedings are assimilated law as they are derived from EU law. Although the UK has left the EU, section 6(3)(a) of the European Union (Withdrawal) Act 2018 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. This is why this decision continues to make reference to the trade mark case-law of EU courts.

EVIDENCE

11. As mentioned above, only the cancellation applicant filed evidence. The cancellation applicant's evidence in chief came in the form of the witness statement of Mr Jamie Watt dated 6 September 2024. Mr Watt works at the cancellation applicant's representative; he does not state the position he holds or when he entered into the position. However, he does state that he has worked as a Legal Advisor to the cancellation applicant since shortly after its conception (the date has not been provided). Mr Watts evidence is accompanied by 15 exhibits, labelled JW1-15.

12. Whilst I have taken all of the evidence and submissions into account, I do not intend to summarise the evidence and submissions at this stage but will refer to them, where necessary, throughout this decision.

DECISION

13. The grounds relied upon have application in invalidation proceedings by virtue of section 47 of the Act, the relevant parts of which state:

> "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). Where the trade mark was registered in breach of subsection (1)(b), (c) or (d) of that section, it shall not be declared invalid if, in consequence of the use which has been made of it, it has after registration acquired a distinctive character in relation to the goods or services for which it is registered.
>
> (2) Subject to subsections (2A) and (2G),[1] 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

[1] Proof of use is not relevant to these proceedings, as a result these submissions are not applicable and so will not, therefore, be reproduced here.

(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.

[…]

(5) Where the grounds of invalidity exist 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.

(5A) An application for a declaration of invalidity may be filed on the basis of one or more earlier trade marks or other earlier rights provided they all belong to the same proprietor.

(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."

Section 5(2)(b)

14. Section 5(2)(b) of the Act reads 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 or association with the earlier trade mark."

15. Section 5A of the Act is as follows:

"5A Where grounds for refusal of an application for registration of a trade mark exist in respect of only some of the goods or services in respect of which the trade mark is applied for, the application is to be refused in relation to those goods and services only."

16. Given its filing date, the cancellation applicant's mark qualifies as an earlier trade mark under the above provisions. The mark had not completed its registration process more than five years prior to the filing date of the proprietor's mark; therefore, it is not subject to the use provisions in section 6A of the Act.

17. The following standard summary of the principles applicable to the assessment of the likelihood of confusion was approved by the Supreme Court in *Iconix Luxembourg Holdings SARL v Dream Paris Europe Inc & Anor*, [2025] UKSC 25:

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. The average consumer is deemed to be reasonably well informed and reasonably circumspect and observant, but someone who rarely has the chance to make direct comparisons between marks and must instead rely upon the imperfect picture of them they have kept in their mind, and whose attention varies according to the category of goods or services in question;

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

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

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

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

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

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

i) mere association, in the strict sense that the later mark brings 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 THE GOODS

18. The goods to be compared are as follows:

Proprietor's goods	Cancellation applicant's goods
Class 3: *Perfumery, essential oils; Anti-perspirant deodorants; Hair dyes; Depilatory creams; Depilatory wax; Adhesives for false eyelashes, hair and nails; Colour cosmetics; Self tanning lotions [cosmetic]; Self tanning creams [cosmetic]; Self-tanning preparations [cosmetics]; Suntan creams; Temporary tattoos for cosmetic purposes; After sun creams; False eyelashes; Nail gel; Sun-tanning creams and lotions; Sun-tanning gels; Sun-tanning oils; Sun-tanning preparations [cosmetics];Cleaner for cosmetic brushes.*	Class 3: *Skin colouring liquid, skin bronzers, tanning accelerators, bronzing gelees, instant skin bronzers, tanning lotions, sunless tanning preparations, skin moisturiser.*

19. In comparing the respective specifications, all relevant factors should be considered, as per *Canon*, where the Court of Justice of the European Union ("CJEU") stated at paragraph 23 of its judgment:

> "In assessing the similarity of the goods or services concerned, as the French and United Kingdom Governments and the Commission have pointed out, all the relevant factors relating to those goods or services themselves should be taken into account. Those factors include, inter alia, their nature, their intended purpose and their method of use and whether they are in competition with each other or are complementary."

20. The relevant factors identified by Jacob J. (as he then was) in the *Treat* case, [1996] R.P.C. 281, for assessing similarity were:

> (a) The respective uses of the respective goods or services;
>
> (b) The respective users of the respective goods or services;
>
> (c) The physical nature of the goods or acts of service;
>
> (d) The respective trade channels through which the goods or services reach the market;
>
> (e) In the case of self-serve consumer items, where in practice they are respectively found or likely to be, found in supermarkets and in particular whether they are, or are likely to be, found on the same or different shelves;
>
> (f) The extent to which the respective goods or services are competitive. This inquiry may take into account how those in trade classify goods, for instance whether market research companies, who of course act for industry, put the goods or services in the same or different sectors.

21. In *Gérard Meric v Office for Harmonisation in the Internal Market (Trade Marks and Designs) (OHIM)* case T-133/05, the General Court (GC) stated:

> "29 In addition, the goods can be considered as identical when the goods designated by the earlier mark are included in a more general category, designated by the trade

mark application (Case T-388/00 Institut für Lernsysteme v OHIM – Educational Services (ELS) [2002] ECR II-4301, paragraph 53) or when the goods designated by the trade mark application are included in a more general category designated by the earlier mark".

22. In *Boston Scientific Ltd v OHIM*,[2] the General Court ("GC") stated that "complementary" means:

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

23. I bear in mind that it is permissible to group goods together for the purposes of assessment: *Separode Trade Mark.*[3]

24. The cancellation applicant submits that the goods at issue are identical or highly[4]/confusingly[5] similar. It submits that this is on the basis that the goods are all cosmetics, and they will be purchased from the same trade channels (and be sold in the same areas of retail establishments), target the same consumers and will be advertised via the same publications. Whilst these submissions are noted, it does not follow that the cancellation applicant classifying all of the goods at issue as cosmetics means that the goods are identical. I do recognise that if *"cosmetics"* was available as a broader category in either parties' specification, any goods that fall in that broader category could be found to be identical on the principle outlined in *Meric*. However, that is not the case in the current circumstances, as "cosmetics" does not appear in the parties' goods. Further, I note that the cancellation applicant's mention of shared advertising is not a factor for consideration when assessing the similarity of the goods at issue; those factors are outlined above in the cases of *Treat* and *Canon*.

Self-tanning lotions [cosmetic]; Self-tanning creams [cosmetic]; Self-tanning preparations [cosmetics]; Suntan creams; Sun-tanning creams and lotions; Sun-tanning gels; Sun-tanning oils; Sun-tanning preparations [cosmetics]

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[2] Case T-325/06
[3] BL O/399/10.
[4] Cancellation applicant's TM26(i)
[5] Cancellation applicant's submissions in lieu, paragraph 6

25. The above goods in the proprietor's specification are all goods that react with the skin's surface to create the appearance of a tan, resulting in a faster and safer tan without the risks associated with direct UV exposure. Whilst these terms are phrased differently in the cancellation applicant's specification, I consider that the proprietor's terms are identical to the cancellation applicant's *"Skin colouring liquid, skin bronzers, tanning accelerators, bronzing gelees, instant skin bronzers, tanning lotions, sunless tanning preparations, skin moisturiser."*

Perfumery, essential oils

26. The proprietor's goods are similar to the various tanning preparations in the cancellation applicant's specification. This is on the basis that I consider that the goods will be distributed by the same channels and will target the same public. In addition, I consider that the method of use of the goods will overlap, albeit to a broad degree, as they will both be applied to the skin. However, I do consider that the goods will differ in specific purpose, as the proprietor's goods will be used to enhance the scent of the user whereas the cancellation applicant's goods will create a tanned appearance in the user. Further, I consider that the nature of the goods will differ. I do not consider the goods to be complementary, nor is it my view that they are in competition. Therefore, taking the above into account, I find the goods to be similar to a low to medium degree. Applying the same reasoning as above, I also find "*anti-perspirant deodorants"* in the proprietor's specification to be similar to a low to medium degree.

Hair dyes

27. The proprietor's goods are cosmetic that are used to change the colour of human hair. The opponent's goods are also specific types of cosmetics, and the goods will have different purposes. The goods do have a similar nature, as they are generally sprays, mousses and gels. However, I do not consider that they will be produced by the same manufacturers. I do consider that the goods will be sold in the same stores or be found in the same sections within large stores or supermarkets, however, it is not my view that they will appear on the same shelf or side by side. Despite this, the goods will target the same end users. The goods are not in competition nor are they complementary. Therefore, I find the goods to be similar to a low degree.

Colour cosmetics

28. It is my understanding, in the absence of any evidence or submissions, that colour cosmetics are make up products that are designed to enhance or change the natural appearance of the user, such as lipstick or highlighter, for example. I consider these goods to

be similar to the various tanning preparations in the cancellation applicant's specification. Given that the purpose of tanning preparations are all goods that react with the skin's surface to create the appearance of a tan, resulting in a faster and safer tan without the risks associated with direct UV exposure, the purpose of the goods will differ. I consider that there will be an overlap in nature as both parties' goods may be presented in the form of gels, sprays. However, I do not consider that they will be produced by the same manufacturers. I do consider that the goods will be sold in the same stores or be found in the same sections within large stores or supermarkets, however, it is not my view that they will appear on the same shelf or side by side. Despite this, the goods will target the same end users. The goods are not in competition nor are they complementary. Therefore, I find the goods to be similar to a low degree.

Adhesives for false eyelashes, hair and nails

29. I consider that there is similarity between the proprietor's goods and the various tanning preparations in the cancellation applicant's specification. The purpose of the goods will differ, as the proprietor's goods adhere eyelashes, hair and nails whereas the cancellation applicant's goods react with the skin's surface to create the appearance of a tan, resulting in a faster and safer tan without the risks associated with direct UV exposure. I consider that there may be an overlap in the nature of the goods in that they may both be presented in the form of a gel or spray. However, I do not consider that they will be produced by the same manufacturers. I do consider that the goods will be sold in the same stores or be found in the same sections within large stores or supermarkets, however, it is not my view that they will appear on the same shelf or side by side. Despite this, the goods will target the same end users. The goods are not in competition nor are they complementary. Therefore, I find the goods to be similar to a low degree. Applying the same reasoning as above, I also find *"Nail gel"* in the proprietor's mark to be similar to a low degree.

False eyelashes

30. I consider that there is similarity between the proprietor's goods and the various tanning preparations in the cancellation applicant's specification. The purpose of the goods will differ; this will also be the case in relation to the nature of the goods. Further, I do not consider that the goods will be produced by the same manufacturers. I do consider that the goods will be sold in the same stores or be found in the same sections within large stores or supermarkets, however, it is not my view that they will appear on the same shelf or side by

side. Despite this, the goods will target the same end users. The goods are not in competition nor are they complementary. Therefore, I find the goods to be similar to a low degree.

Depilatory creams; Depilatory wax

31. The intended purpose of these goods and the cancellation applicant's various tanning preparations will differ, however, there may be an overlap in nature as goods may be presented in the form of creams. I do consider that the goods will be sold in the same stores or be found in the same sections within large stores or supermarkets, however, it is not my view that they will appear on the same shelf or side by side. Despite this, the goods will target the same end users and will share trade channels. The goods are not in competition nor are they complementary. Therefore, I find that these goods are similar to a low degree.

After sun creams

32. The proprietor's goods are similar to the "tanning accelerator" that appears in the cancellation applicant's specification. It is my understanding that tanning accelerator is something that is applied to the skin before sunbathing to allow the user to achieve a tan quicker. I consider the goods to be similar on the basis that I consider that the goods will be distributed by the same stores and be sold in the same sections, with a close proximity in the location of the goods and will target the same public. In addition, I consider that the method of use of the goods will overlap, as they will both be applied to the skin. However, the goods will differ in specific purpose, as the proprietor's goods will be used to alleviate pain and skin damage after sun exposure whereas the cancellation applicant's goods will accelerate the tanning process or the user. There may be an overlap in the nature of the goods as they may both appear in the form of creams. I do not consider the goods to be complementary, nor is it my view that they are in competition. Therefore, taking the above into account, I find the goods to be similar to a low to medium degree.

Cleaner for cosmetic brushes.

33. I consider that there is similarity with the various tanning preparations in the cancellation applicant's specification. The goods may share the same end users. In relation to the trade channels, whilst I consider that the goods will be sold in the same sections of the store, I do not consider that they would be positioned close to one another. Further, it is not my view that the provider of fake tanning goods would sell cleaners for cosmetic brushes. I do recognise that the goods will differ in nature, purpose and method of use. Further, it is not my view that the goods are complementary nor are they in competition. Whilst I have found the

goods to overlap in end user, I do not consider the similarity in user is sufficient to substantiate similarity. Taking all of the above into account, I find the goods to be similar to be dissimilar.

Temporary tattoos for cosmetic purposes

34. In comparing these goods against those in the cancellation applicant's specification, other than a very general overlap in users, I am unable to identify any other points of similarity between the goods. I do not consider that the overlap in users is sufficient to substantiate similarity, therefore, I find the goods to be dissimilar.

35. As some degree of similarity between the goods is necessary to engage the test for a likelihood of confusion under the present ground, my findings above mean that the invalidation aimed against those goods I have found to be dissimilar will fail.[6] For ease of reference, the invalidation under section 5(2)(b) fails against the following goods in the proprietor's specification:

Class 3:*Temporary tattoos for cosmetic purpose; Cleaner for cosmetic brushes.*

AVERAGE CONSUMER AND THE PURCHASING PROCESS

36. The average consumer is deemed to be reasonably well informed and reasonably observant and circumspect. For the purpose of assessing the likelihood of confusion, it must be borne in mind that the average consumer's level of attention is likely to vary according to the category of goods or services in question: *Lloyd Schuhfabrik Meyer,* Case C-342/97.

37. In *Iconix Luxembourg Holdings SARL v Dream Paris Europe Inc & Anor*, [2025] UKSC 25, the Supreme Court approved the comments of Arnold LJ in *Lidl Great Britain Ltd & Anor v Tesco Stores Ltd & Anor (Rev1)* [2024] EWCA Civ 262, where he pointed out that:

(a) Consumers who are ill-informed or careless, or consumers with specialised knowledge or who are excessively careful are excluded from consideration;

(b) The average consumer provides a standard which enables the courts to strike a balance between the competing interests involved, such as trade mark owners, their competitors and consumers;

[6] *eSure Insurance v Direct Line Insurance,* [2008] ETMR 77 CA

(c) The average consumer is neither a single hypothetical person nor a mathematical average; assessment from the perspective of the average consumer does not involve a statistical test. There is no single meaning rule and if, having regard to the perceptions and expectations of the average consumer, the court considers that a significant proportion of the relevant public is likely to be confused, a finding of infringement may properly be made;

(d) Assessment from the perspective of the average consumer is intended to facilitate adjudication of trade mark disputes by providing an objective criterion, by promoting consistency of assessment and by and enabling courts and tribunals to determine such issues so far as possible without the need for evidence;

(e) The average consumer's level of attention varies according to the category of goods or services in question; and

(f) the average consumer rarely has the opportunity to make direct comparisons between trade marks (or between trade marks and signs) and must instead rely upon the imperfect picture of the trade mark they have kept in their mind.

38. The average consumer of the goods will primarily comprise members of the general public. The goods themselves are all items that may be purchased fairly frequently, often at a relatively low cost. Whilst I note that some items will sit at a higher price point, for example, where they are made from particularly expensive or sought after ingredients, this does not raise the level of attention paid in respect of the category of the goods as a whole. I note some consumers will pay a higher-than-average level of attention to the goods on the basis of having particular skin conditions or allergies; however, for the most part the consumer will have no reason to pay a particularly high level of attention. Nevertheless, the consumer will likely consider factors such as fragrance, colour, durability and suitability for their requirements and skin type, and possibly the type of ingredients used and the ethical practices of the company responsible. Overall, I find the level of attention paid in respect of the goods to be medium.

39. I note the goods may also be purchased by professionals in the field of beauty. I find that the degree of attention paid by professional consumers will be higher than that of the general public due to the increased liability of purchasing these goods to use on others in a

professional capacity. I find the level of attention paid to the goods by these professionals will likely be above medium (but not the highest), as the choice of goods may directly impact their ability to do their job, their reputation and ultimately their business.

40. The purchasing process in respect of most of the goods will be primarily visual, and the goods are likely to be purchased from online or physical retail stores or pharmacies. However, I also note the goods may be recommended by beauticians, dermatologists, or peers, and that verbal assistance may be sought from retail staff. As such, I cannot disregard the aural comparison.

COMPARISON OF THE MARKS

41. The respective trademarks are shown below:

Proprietor's mark	Cancellation applicant's mark
2Bmagic	2BTanned

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

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

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

44. The cancellation applicant submits that the marks at issue are comprised of two separate elements, being ‘2B’ alongside ‘magic’ and ’Tanned’, respectively. The cancellation applicant goes onto submit that the ‘2B’ element is the most distinctive.

45. The proprietor’s mark consists of the text ‘2Bmagic’ presented in a standard font. In relation to the proprietor’s mark, I disagree with the cancellation applicant that the proprietor’s mark will be viewed as two separate elements. I consider that ‘2Bmagic’ will be viewed as a unit, this is on the basis that it implies something is ‘to be magic’. The mark appears on one line with no separation of ‘2B’ and ‘magic’ and the word ‘magic’ is not descriptive or allusive in relation to the goods for which the mark is registered. Therefore, I find that the overall impression lies in the mark as a whole.

46. The cancellation applicant’s mark consists of the text ‘2BTanned’. Given that this mark forms an allusive unitary phrase indicating that the goods are to be used because the user wants ‘2B tanned’, I do not consider that the consumer will dissect the mark in such a way to separate out ‘2b’ and ‘Tanned’, regardless of whether the mark is shown on tanning goods. As such, I find that because the consumers will view this mark as a unitary phase, its overall impression lies in the mark as a whole. I will come to discuss below as to reasons why I find that the applicant’s mark will be viewed as the user wanting ‘to be tanned’.

47. Visually, the marks share the letter ‘2B’ at the beginning of the marks. The marks differ in the presence/absence of the words ‘Tanned’ and’ ‘magic’, respectively. Taking this into account, I find that the marks are visually similar to a medium degree.

48. Aurally, the marks will share the pronunciation of ‘2B’. The marks differ in the pronunciation of the words ‘Tanned’ and ‘magic’ – which will be given their ordinary pronunciation. Taking this into account, I find the marks to be aurally similar to a medium degree.

49. In relation to the conceptual comparison between the marks, I recognise that the average consumer is accustomed to seeing numbers that are used in abbreviations. In my view, the consumer would interpret ‘2B’ as the verb ‘to be’, i.e. to exist. Taking this into account, the proprietor’s mark will be interpreted as conveying the message ‘to be magic’. As I set out above the cancellation applicant’s mark will be understood as a unitary phrase which will readily be understood reference to the user wanting 'to be tanned'. Both marks carry the same message that something is ‘to be’, be that magic or a direct reference to the user being

tanned. I do not consider this to be a strong overlap in concept but there is a shared element in the overall messages. Therefore, I find the marks to be conceptually similar to a low degree.

DISTINCTIVE CHARACTER OF THE EARLIER MARK

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

> "22. In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings (see, to that effect, judgment of 4 May 1999 in Joined Cases C108/97 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)."

51. Registered trade marks possess varying degrees of inherent distinctive character through use, ranging from the very low, because they are suggestive or allusive of a characteristic of the goods, to those with a high inherent distinctive character, such as invented words which have no allusive qualities. I will begin by assessing the inherent distinctive character of the cancellation applicant's mark before moving on to consider whether the evidence filed is sufficient to amount to enhanced distinctive character.

52. In relation to the cancellation applicant's mark, I have already found that it conveys the conceptual message of 'to be tanned'. As I mention above, 'to be Tanned' is an allusive unitary phrase in relation to the goods at issue. Looking at the mark as a whole these factors point towards a low degree of inherent distinctive character. I do not consider that combining '2B'

and ‘Tanned’ into one word and abbreviating ‘to be’ to ‘2B’ raises the level of inherent distinctive character.

53. I will first summarise the key aspects that I have identified in the cancellation applicant’s evidence before I go on to assess whether it is sufficient to demonstrate enhanced distinctiveness.

a. JW1 demonstrates undated screenshots from the cancellation applicant’s TikTok profile, where it states it was receiving posts from consumers displaying the proprietor’s goods and mark.

b. JW2 is an undated screenshot of a video on the cancellation applicant’s TikTok account in which they have been tagged displaying goods that have originated from the proprietor.

c. JW8 contains screenshots of the cancellation applicant’s followers (from inception of the social media account) on its social media pages. The date on which these snapshots were taken has not been provided so I cannot determine the time period covered by these followers. Further, no breakdown of the origin of these followers has been provided so I cannot determine what proportion of consumers originate in the UK.

d. JW9 is an article dated 9 June 2023 from *‘RetailDive’* entitled *“ICSC: 85% of Gen Z says social media impacts purchase decisions.”* The article discusses how the demographic group referred to as ‘Gen Z’ are influenced by social media when making their purchasing decisions.

e. JW10 is a financial report that covers 2022 and 2023 pertaining to the cancellation applicant’s parent company. The report contains asset information of the parent organisation. I note that the figures that have been brought to my attention relate to cash, total asset, tangible net worth, debtors and ownership. These figures are not expressly in relation to the cancellation applicant; no breakdown has been provided to the parent company and any subsidiaries that sit under its umbrella. Even if the metric, such as asset ownership, for example, was in relation to the cancellation applicant the metrics fail to demonstrate the total sales of revenue a business generates in relation to the goods and mark at issue during a given period.

f. JW12 consists of undated snapshots of the cancellation applicant’s goods, demonstrating the mark ‘2BTanned’ displayed on the websites of Superdrug, Debenhams, Oasis and Coast.

54. The cancellation applicant submits that its mark has been put to significant use in trade, therefore, I will consider the evidence filed by the cancellation applicant in light of any enhanced distinctive character. Enhanced distinctiveness must be established in relation to the UK market because the test for confusion will be in reference to the average consumer who is a member of the UK consumers. I note that no evidence has been provided of sales figures in the UK. Further, I note that no evidence or submissions has been provided by either party to assist me on the matter of the size of the UK market for the goods concerned, to identify a market share held by the mark. Whilst evidence has been provided of the cancellation applicant's goods in UK high street stores, there is no evidence of actual sales or of any geographic scope of sales within the UK; it is difficult to determine how intensive the sales were in the UK. The cancellation applicant has not provided any evidence of the amount of money it has spent in promoting its mark. Nonetheless, I note that the cancellation applicant has provided evidence of its social media followers, of which it demonstrates: 6,200 Facebook followers (generated since inception of the page in October 2020), 129,000 Instagram followers (generated since inception of the page in December 2020) and 267,000 TikTok followers (generated since inception of the page in February 2021).[7] These figures are notable; however, the cancellation applicant has failed to provide a breakdown of the geographic origin of the followers or of how many followers were in place at the relevant date. Given that enhanced distinctiveness is concerned with the UK market and these are all webpages that are available to consumers globally, without the breakdown I am unable to determine the origin of the followers. Taking all of the above into account, I do not consider that the evidence is sufficient to demonstrate enhanced distinctive character in relation to the earlier mark.

LIKELIHOOD OF CONFUSION

55. Making an assessment of the likelihood of confusion is a matter of considering the relevant factors from the viewpoint of the average consumer of the goods at issue and determining whether they are likely to be confused. When doing this, I am required to bear in mind that the average consumer rarely has the opportunity to make direct comparisons between trade marks and must instead rely on the imperfect picture of them that they have in their mind. This means that the global assessment emulates what happens in the mind of the average consumer on encountering the later mark with an imperfect recollection of the earlier mark. The courts have not said what weight should be attached to each of the factors or provided a formula that can be applied to any set of circumstances. However, I am required

[7] Exhibit JW8

to take account of the interdependency principle, i.e. that a lesser degree of similarity between the respective trade marks may be offset by a greater degree of similarity between the respective goods or vice versa.

56. Earlier in my decision I found the marks to be visually and aurally similar to a medium degree. I have found the marks to be conceptually similar to a low degree. I have found the distinctive character of the mark to be inherently low as I found the evidence to be insufficient to demonstrate enhanced distinctive character. I have found the average consumer to comprise primarily of members of the general public and also professionals such as those in the field of beauty. I consider that the degree of attention paid by the average consumer will vary from medium to above medium. I have found the purchasing process to be primarily visual, although I do not discount aural considerations. I have found the goods to vary in similarity, between those that are identical to those that are similar to a low degree.

57. There are two types of confusion that may occur. Direct confusion is where the average consumer mistakes one mark for the other, while indirect confusion is where the average consumer recognises that the marks are different, but assumes that the later mark also identifies the goods of the owner of the earlier mark, or that the two undertakings are related: see *L.A. Sugar Limited v Back Beat Inc*, BL O/375/10, paragraph 16.

58. I consider that the differences between the marks are too great for the average consumer to mistake one for the other. I consider that the differences between the marks will be noticed, even taking the principle of imperfect recollection into account. Whilst I note that the marks share the same beginning, and this is where the average consumer tends to focus,[8] I consider that the presence/absence of 'magic' and 'Tanned' at the end of the marks is sufficient to avoid the marks being misremembered or mistakenly recalled. I consider this to be the case notwithstanding that the average consumer's degree of attention will vary from medium to above medium. Consequently, I do not consider that there is a likelihood of direct confusion. This finding applies even in relation to the goods that I have found to be identical.

59. It now falls to me to consider whether there is a likelihood of indirect confusion. Indirect confusion involves recognition by the average consumer of the difference between the marks. Indirect confusion was described in the following terms by Iain Purvis K.C., sitting as the Appointed Person, in *L.A. Sugar Limited v By Back Beat Inc*, Case BL-O/375/10:

[8] *El Corte Ingles, SA v OHIM,* Cases T-183/02 and T-184/02

"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 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)."

60. In *Liverpool Gin Distillery Limited & Ors v Sazerac Brands, LLC & Ors* [2021] EWCA Civ 1207, Arnold LJ commented that:

"12. This is a helpful explanation of the concept of indirect confusion, which has frequently been cited subsequently, but as Mr Purvis made clear it was not intended to be an exhaustive definition.

> 13. As James Mellor QC sitting as the Appointed Person pointed out in Cheeky Italian Ltd v Sutaria (O/291/16) at [16] 'a finding of likelihood of indirect confusion is not a consolation prize for those who fail to establish a likelihood of direct confusion'. Mr Mellor went on to say that, if there is no likelihood of direct confusion, 'one needs a reasonably special set of circumstances for a finding of a likelihood of indirect confusion'. I would prefer to say that there must be a proper basis for concluding that there is a likelihood of indirect confusion given that there is no likelihood of direct confusion."

61. I bear in mind that a finding of indirect confusion should not be made merely because the two marks share a common element. In this connection, it is not sufficient that a mark merely calls to mind another mark: this is mere association not indirect confusion.[9] The common element between the marks is the element '2B' and I consider that the shared presence in both marks will be viewed by the average consumers as being purely coincidental. Consequently, I do not believe that the consumers will assume that the cancellation applicant and the proprietor are from the same or economically linked undertakings. I do not consider that consumers would believe that the alteration of '2BTanned' to '2Bmagic', and vice versa, is a logical indicator of a sub-brand, brand extension or that the shared element is so strikingly distinctive that the average consumer would assume that no-one else, but the brand owner would be using it in a trade mark. The average consumer would assume that '2B' is a coincidence due to the marks in themselves carrying unitary meanings that can allude to different goods at issue and not an indication that there is a connection between the undertakings responsible for the marks. Taking all of the above factors into account, I do not consider there to be a likelihood of indirect confusion between the competing marks, even in relation to goods that I have found to be identical.

62. While the cancellation applicant relies on other grounds (which I will discuss further below), I consider it necessary, for the sake of completeness to set out here that the section 5(2)(b) ground fails in relation to all of the goods. I will now proceed to consider the remaining grounds of the invalidation.

OUTCOME: The invalidation fails in full.

Section 5(3)

[9] Duebros Limited v Heirler Cenovis GmbH, BL O/547/17

63. Section 5(3) Section 5(3) of the Act states:

> "5(3) A trade mark which – is identical with or similar to an earlier trade mark, shall not be registered if, or to the extent that, the earlier trade mark has a reputation in the United Kingdom (or, in the case of a European Union trade mark or international trade mark (EC), in the European Union) and the use of the later mark without due cause would take unfair advantage of, or be detrimental to, the distinctive character or repute of the earlier trade mark."

64. 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,* 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 Salomon, 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. 51*.

(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 holder 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).*

65. The conditions of section 5(3) are cumulative. There must be similarity between the marks, the cancellation applicant must also show that its mark has achieved a level of knowledge, or reputation, amongst a significant part of the public. The cancellation applicant must also establish that the public will make a link between the marks, in the sense of the earlier mark being brought to mind by the later mark. Assuming that these conditions have been met, section 5(3) requires that one or more of three types of damage claimed by the cancellation applicant will occur. It is unnecessary for the purposes of section 5(3) that the

goods be similar, although the relative distance between them is one of the factors which must be assessed in deciding whether the public will make a link between the marks.

66. The relevant date for the assessment under section 5(3) is the date of the application at issue, being 8 February 2023.

Reputation

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

> "25. It cannot be inferred from either the letter or the spirit of Article 5(2) of the Directive that the trade mark must be known by a given percentage of the public so defined.
>
> 26. The degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.
>
> 27. In examining whether this condition is fulfilled, the national court must take into consideration all the relevant facts of the case, in particular the market share held by the trade mark, the intensity, geographical extent and duration of its use, and the size of the investment made by the undertaking in promoting it.
>
> 28. Territorially, the condition is fulfilled when, in the terms of Article 5(2) of the Directive, the trade mark has a reputation 'in the Member State'. In the absence of any definition of the Community provision in this respect, a trade mark cannot be required to have a reputation 'throughout' the territory of the Member State. It is sufficient for it to exist in a substantial part of it."

68. When assessing the enhanced distinctive character of the cancellation applicant's mark, I undertook a detailed assessment of the evidence filed, a summary of which can be found in paragraph 53. This same evidence is relied upon for the basis of the cancellation applicant's 5(3) claim. I do not intend to repeat the evidence in full here. I can deal with this ground relatively swiftly.

69. Earlier in my decision, I found that the distinctive character of the cancellation applicant's mark had not been enhanced through use. I recognise that the test for reputation is not the same as that for enhanced distinctive character, but the same factors are to be taken into account in both assessments. On this point, I note that in the present case, the mark relied

upon is the same as above, so too are the goods relied upon. Further, the relevant date and the relevant territory for the issue of reputation are identical to the above assessment. Therefore, the evidence is, for the reasons set out in relation to enhanced distinctiveness, insufficient to establish reputation in the UK. Consequently, the invalidation based upon section 5(3) falls at the first hurdle.

70. The invalidation based upon section 5(3) of the Act is dismissed. I will now proceed to consider the remaining grounds of the invalidation.

OUTCOME: The application for invalidity based on section 5(3) fails.

Section 5(4)(a)

71. Section 5(4)(a) of the Act states as follows:

> "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, 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".

72. Subsection (4A) of section 5 of the Act 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."

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

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

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

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

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

(1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation among a relevant class of persons; and 66

(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."

75. Much like the section 5(3) ground above, I consider that I can deal with this ground briefly. Even though the test for the existence of goodwill in far less onerous than the ones conducted above for enhanced distinctiveness and reputation, I consider that the evidence filed is still insufficient. I say this because goodwill stems from trading activities and, in proceedings before the Tribunal, there must be customers in the UK for a protectable level of goodwill to exist.[10] In the present case, the evidence does not demonstrate any trading activity in the cancellation applicant's business at the relevant date, let alone a level that could be said to give rise to a finding that it enjoys a protectable level of goodwill in the signs. All of the evidence relied upon has been reviewed and most has been summarised at paragraph 53 above; I do not intend to repeat it here. Without a protectable level of goodwill in its sign, the cancellation applicant is unable to satisfy that there exists a misrepresentation or any subsequent damage. As a result, the present ground fails at the first hurdle.

OUTCOME: The application for invalidity on section 5(4)(a) fails.

Section 3(6)

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

[10] See paragraphs 47 and 52 of *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others*, [2015] UKSC 31

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

77. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith.[11] The case law shows that the initial evidential burden falls upon the applicant: the applicant must present evidence from which a rebuttable presumption of lack of good faith can be drawn. If it does that, then the burden shifts to the proprietor to rebut the allegation.

78. The cancellation applicant's bad faith claim is pleaded in the counterstatement as follows:

"48. Given that the opposed mark is highly similar to the earlier mark and the signs, and given that the earlier mark and the signs have no literal English meaning and are rather an invented concept and combination of lettering /abbreviation /words, it is impossible that the opposed mark was conceived by the proprietor without knowledge of the earlier mark and the signs. As such the registration must have been made in knowledge of the cancellation applicant's prior use in trade, and with a deliberate intent to mimic the cancellation applicant's business and acquire the custom normally provided to the cancellation applicant's business.

49. This is supported by the fact that the proprietor has also sought to register marks concerning the opponent's business under the following references:

UK00003914953
UK00003889466
UK00003914954

50. Such activity falls short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area, particularly as such conduct amounts to an intentional design to mislead or deceive.

51. As such, the registration has been made in bad faith."

[11] *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch).

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

> "(i) […]
>
> (ii) The date for assessing whether an application to register [a] trade mark was made in bad faith is the date the application for registration was made (Lindt, para 35).
>
> (iii) Bad faith in this context is an autonomous concept of EU law which must be given a uniform interpretation […], and must be interpreted in the context of Directive 89/104 in the same manner as in the context of Regulation 40/94 ([Malaysia Dairy Industries Pte Ltd v Ankenaevnet for Patenter og Varemaerker (C-320/12) EU:C:2013:435 ("Malaysia Dairy")], para 29; [Sky plc v SkyKick UK Ltd (C-371/18) EU:C:2020:45 ("Sky CJEU")], para 73).
>
> (iv) While, in accordance with its usual meaning in everyday language, the concept of bad faith presupposes the presence of a dishonest state of mind or intention, the concept must also be understood in the context of trade mark law, which involves the use of marks in the course of trade. Further, it must have regard to the objectives of the […] law of trade marks, namely the establishment and functioning of […] a system of undistorted competition in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable consumers, without any possibility of confusion, to distinguish those goods or services from those which have a different origin (Lindt, para 45; [Koton Mağazacilik Tekstil Sanayi ve Ticaret AS v European Union Intellectual Property Office (EUIPO) (C-104/18) EU:C:2019:724 ("Koton")], para 45).
>
> (v) Consequently, the objection will be made out where the proprietor made the application for registration, not with the aim of engaging fairly in competition but either (a) with the intention of undermining, in a manner inconsistent with honest practices, the interests of third parties; or (b) with the intention of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark, and in particular the essential function of indicating origin (Koton, para 46; Sky CJEU, para 75).
>
> (vi) The intention of the applicant is a subjective matter, but it must be capable of being established objectively by the competent administrative or judicial authorities having

regard to the objective circumstances of the case ([Hasbro Inc v EUIPO, Kreativni Dogaaji d.o.o. (intervening) (Case T-663/19) EU:T:2021:211 (“Hasbro”)], paras 39 and 40; Koton, para 47).

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

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

(ix) The applicant for a trade mark is not required to indicate or to know precisely when the application is filed or examined, the use that will be made of it (Sky CJEU, para 76; [AS v Deutsches Patent-und Markenamt (C-541/18) EU:C:2019:725], para 22).

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

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

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

(xiii) When the absence of an intention to use the mark in accordance with the essential functions of a trade mark concerns only certain goods or services referred to in the

application for registration, that constitutes making the application in bad faith only in so far as it relates to those goods or services (Sky CJEU, para 81).

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

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

80. According to *Alexander Trade Mark*, BL O/036/18, the key questions for determination in a claim of bad faith are:

(a) What, in concrete terms, was the objective that the applicant has been accused of pursuing?

(b) Was that an objective for the purposes of which the contested application could not be properly filed? and

(c) Was it established that the contested application was filed in pursuit of that objective?

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

What, in concrete terms, was the objective that the proprietor has been accused of pursuing?

82. The cancellation applicant claims that the proprietor knew about the cancellation applicant's activities under the sign. This is on the basis that the cancellation applicant's use of the mark in the UK and that the earlier mark and signs have no literal English meaning, are invented concepts/letter combinations that it is impossible to have created without knowledge of the earlier mark. The cancellation applicant claims that the proprietor's mark was filed with the intention to mimic the cancellation applicant's business and acquire the custom normally provided to the cancellation applicant's business.

Was that an objective for the purposes of which the contested application could not be properly filed?

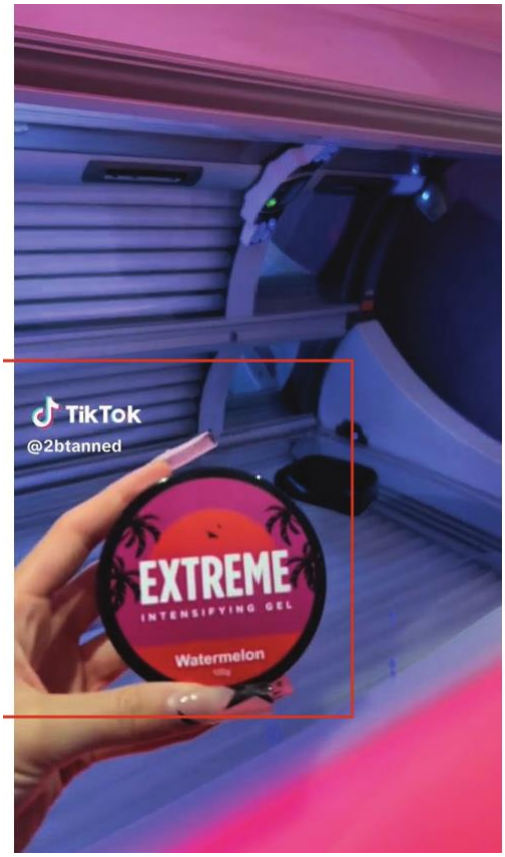
83. The mere knowledge of another party using a similar mark in the UK does not, of itself, establish bad faith.[12] However, if the proprietor's mark was filed to obtain an illegitimate financial benefit from the association with the cancellation applicant's mark, then this would amount to bad faith. It is my view that the answer to the following question will therefore determine the claim.

Was it established that the contested application was filed in pursuit of that objective?

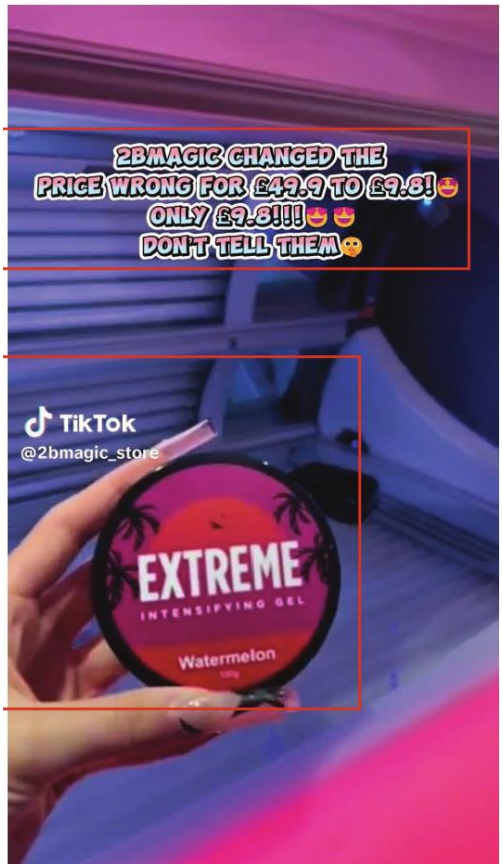
84. In order for the proprietor to have registered the contested mark with the intention of gaining some financial or other benefit from the cancellation applicant, I would need to be satisfied that it had knowledge (actual or inferred) of the cancellation applicant's business activities under the sign (either in the UK or elsewhere).

85. Whilst I note that there is some evidence of the cancellation applicant using the sign in the UK prior to the relevant date, it is on such a small scale that it cannot be said that, reliant on this alone, the proprietor should have known of their activities. Further, the cancellation applicant also provided evidence of its commissioned advertisements being replicated, in some instances they say this as taken place on the same day, by the handle that the cancellation applicant claims is the proprietor's (which has not been disputed by the proprietor). This clearly shows an awareness of the cancellation applicant's mark and goods. I have replicated one of those images below:

[12] *Malaysia Dairy Industries Pte Ltd v Ankenævnet for Patenter og Varemærker* ,Case C-320/12



Cancellation applicant[13]



Proprietor

86. The evidence assists in finding that the proprietor knew, or should have known, that the applicant was using its mark. The presence of the same social media posts, many of which the cancellation applicant submitted that it commissioned, appearing on the proprietor's handle is clearly unusual social media activity on behalf of the proprietor, which it has failed to comment on. It would appear, to the very least, that there was an intent to mimic the social media activity of the cancellation applicant by the proprietor in copying its advertisements. I cannot determine from the evidence what the intention of this behaviour was. I note that the cancellation applicant considers that the reasoning was to divert custom to the proprietor from the cancellation applicant. In the absence of any comment beyond a bare denial of the ground and challenge to the cancellation applicant's allegations, I am unable to accurately determine the motivation of the proprietor.

87. The proprietor offers no explanation of how it came to choose its trade mark, comprising of the '2B' element seen in both parties' marks and registered in the same field of goods which the cancellation applicant operates. However, I consider that the proprietor's

[13] Exhibit JW4

mark, comprising of the '2B' element' is something that they could have reasonably come up with themselves. The (wrongful) association of the parties' goods appear to be a likely consequence of the proprietor's activities on social media and they have not explained why that would not generate a wrongful financial gain for them.

88. I note that whilst the evidence that has been provided by the cancellation applicant is not comprehensive, I do consider that it does just cross the threshold of providing a prima facie case of bad faith. In circumstances such as these where that prima facie case has been met, the burden of proof then shifts to the proprietor to rebut the bad faith claim. All the proprietor has done is file a bare denial of the claim and then failed to file anything further. It would have been easy for the proprietor to rebut the allegations of bad faith made towards them. For example, the proprietor could have said that they had repurposed the advertisements to show that there was a third party retailing the same goods offered by the cancellation applicant but at a cheaper price, as opposed to the allegation of counterfeiting. However, as they have failed to do so, I have no alternative but to conclude that there is bad faith, as the proprietor has failed to rebut the prima facie case against it.

OUTCOME: The application for invalidity based on section 3(6) succeeds in full.

CONCLUSION

89. The invalidation succeeds in relation to the section 3(6) ground. Subject to any successful appeal, the proprietor's registration is deemed to never have been filed, and its trade mark is declared invalid as from its filing date of 8 February 2023.

COSTS

90. The cancellation applicant has been successful and is, therefore, entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 1/2023. I have calculated as follows:

Preparing a statement and considering the other side's statement	£350
Preparing evidence	£600
Preparing submissions in lieu	£350
Official fee	£200
Total	**£1500**

91. I therefore order Yinghai Technology (Guangzhou) Co., Ltd. to pay GRN Holdings Limited the sum of £1500. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the final determination of the appeal proceedings.

Dated this 9th day of April 2026

A KLASS
For the Registrar