

O/0811/24

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003793450

BY PENTAGON TECHNOLOGY LTD

TO REGISTER THE FOLLOWING MARK:

COMSOON

IN CLASS 9

IN THE MATTER OF OPPOSITION THERETO

UNDER NO. OP000435493

BY SHENZHEN CUIYI DIANZI KEJI CO, LTD

Background and pleadings

1. On 29 May 2022, Pentagon Technology Ltd (“the applicant”) applied to register the trade mark shown below and the application was published for opposition purposes on 17 June 2022.

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2. Registration is sought for the following goods:

Class 9 Audio amplifiers; Audio equipment; Audio tapes; Cassettes [audio]; Audio compressors; Audio adaptors; Audio transmitters; Audio expanders; Audio recorders; Audio cable; Audio cables; Audio receivers; Audio apparatus; Video tapes; Video tuners; Video cables; Video cards; Video receivers; Car charger; Chargers; USB chargers; Portable chargers; Car radios; Car speakers; Car videorecorders; Car antennas; Car stereos; Car multimedia players; Car audio apparatus; Thermometers; Computers and computer hardware; Computer cables; Computer peripherals; Computer mousepads; Computer stylus.

3. Shenzhen Cuiyi Dianzi Keji Co, LTD (“the opponent”), having filed a Form TM7 which was received by the Registry on 1 September 2022, opposed the above trade mark on the basis of Section 5(4)(a) of the Trade Marks Act 1994 (“the Act”) whereby the use of the applicant’s trade mark would be contrary to the law of passing off. The opponent relies upon the unregistered sign shown below which it claims to have used since 13 October 2017 in relation to:

“Audio speakers; [Carrying cases for cell phones; Carrying cases for mobile computers; Carrying cases specially adapted for electronic equipment, namely, cell phones, tablet computers, mp3 players, smart telephones, digital cameras, portable media

players and navigation apparatus for vehicles;] Cases for mobile phones; Cell phone battery chargers [; Cell phone cases; Cell phone covers; Clear protective covers specially adapted for personal electronic devices, namely, cell phones and tablet computers]”.

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4. However, the opponent also filed a Statement of Use form in which it said at Question 1 that its sign has been used on:

“Audio amplifiers; Audio equipment; Audio tapes; Cassettes [audio]; Audio compressors; Audio adaptors; Audio transmitters; Audio expanders; Audio recorders; Audio cable; Audio cables; Audio receivers; Audio apparatus; Video tapes; Video tuners; Video cables; Video cards; Video receivers; Car charger; Chargers; USB chargers; Portable chargers; Car radios; Car speakers; Car videorecorders; Car antennas; Car stereos; Car multimedia players; Car audio apparatus; Thermometers; Computers and computer hardware; Computer cables; Computer peripherals; Computer mousepads; Computer stylus Class-9”.

5. Given that there were inconsistencies between the above two sets of goods, I wrote to the opponent on 18 June 2024 and asked for submissions on the matter.
6. On 24 June 2024, the opponent wrote in to say that it made a mistake in listing the goods on its original Form TM7 and amended its pleadings such that the goods listed on its Form TM7 matched those set out in Question 1 of its statement of Use form.

7. The applicant was given the opportunity to comment on the matter and did not do so.
8. I accept the opponent's amended pleadings.
9. The opponent considers that use of the applicant's mark for all of the applicant's goods would amount to passing off.
10. The opponent's statement of grounds is as follows:

“SHENZHEN CUIYI DIANZI KEJI CO., LTD. (“Opponent”) is a company in Shenzhen, Guangdong Province, China, established on September 24, 2013. The company's business scope includes: research and development, sales of auto parts, mobile phone accessories, electronic devices, e-commerce, domestic trade, and import business.

The Opponent is opposing the Applicant's trademark under Section 5(4)(a). It is submitted that the Opponent is the proprietor of an “earlier right”. The Opponent claims that its trademark is liable to be prevented by virtue of an “earlier right”.

The Opponent's company started to use the trademark "COMSOON" in the United States (US) on May 9, 2013, and registered the trademark in the US on October 22, 2014 (Reg.No.4,865,532). The Opponent's company commenced use of the name “COMSOON” in United Kingdom (UK) on and in relation to articles of electronics from October 13, 2017 and has used the name continuously since then. The Opponent is selling COMSOON - Bluetooth FM transmitters, Wireless Radio Adaptors, Flexible Wall Mount for Echo Dot, Wall Mount Holders and aforesaid mentioned goods via Amazon (an online shopping platform, UK, Amazon.co.uk) with a huge number of sales. The objection is raised in relation to all of the goods and service considering the Opponent have acquired a goodwill and reputation in the market and are known by enlisted goods and services. The Applicant is likely to

misrepresent and thus would lead the public to believe that goods or services offered by the Applicant are goods or services of the Opponent. In view of the same, the Opponent is likely to suffer damages as a result of the erroneous belief engendered by the Applicant's misrepresentation. Further, the Applicant's trademark has exactly the same spelling as Opponent's trademark and the goods and services are also highly overlapping and thus in view of all the aforesaid grounds, the Opponent's humbly prays that the Applicant's trademark should not be registered."

11. In its counterstatement, the applicant "denies the claims made by the Opponent in its TM7 Form and Statement of Grounds and denies that registration of the Application would be contrary to Section 5(4)(a) of the Trade Marks Act. The Applicant hereby puts the Opponent to strict proof of all of its claims and assertions."

12. Neither party requested a hearing, nor did they file written submissions in lieu.

13. The applicant is representing itself, while the opponent is represented by Way Insight IP Services LTD.

Evidence

14. The opponent filed evidence in chief in the form of a witness statement from Simeng Ye, the manager of the opponent, signed and dated 1 February 2023. The witness statement is accompanied by Exhibits SY1 to SY5.

Section 5(4)(a)

15. 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.”

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.”

16. In *Discount Outlet v Feel Good UK*, [2017] EWHC 1400 IPEC, HHJ Clarke, sitting as a deputy Judge of the High Court, 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”.

17. As there is no indication that the contested mark has been used prior to the application for registration, the relevant date for the assessment is the filing date, 29 May 2022.¹

Goodwill

18. The House of Lords considered goodwill in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217, saying:

“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”.

19. Goodwill, which is protectable under the law of passing off, must be more than trivial: *Hart v Relentless Records* [2002] EWHC 1984 (Ch). However, a small business which has more than a trivial goodwill can protect signs which are distinctive of that business under the law of passing off even though its goodwill and reputation may be small. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, the Court of Appeal in England and Wales held that the defendant had passed off its LUMOS nail care products as the claimant's goods. The claimant had been selling LUMOS anti- ageing products since 2007. The goods retailed at prices between £40 and £100 per bottle. The Claimant's sales were small, of the order of £2,000 per quarter from early 2008 to September 2009, rising to £10,000 per quarter by September 2010. The vast majority of these sales were to the trade, including salons, clinics and a market. As at the relevant date (October 2010) the Claimant had sold to 37 outlets and by that date it was still selling to 25 outlets. There was evidence of repeat purchases. Although the number of customers was, as the judge at first instance put it, “very limited”, the claimant's goodwill was found to be sufficient to entitle it to

¹ *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11

restrain the defendant's trade under "LUMOS". In *Stannard v Reay* [1967] F.S.R. 140, a mobile fish and chip van had been trading for three weeks, generating around £130 per week, which was held to be sufficient for an interlocutory injunction to prevent the defendants using the same sign ("MR CHIPPY").

20. More recently, in *Smart Planet Technologies, Inc. v Rajinda Sharm* [BL O/304/20], Thomas Mitcheson QC, sitting as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. Mr Mitcheson concluded that:

"[...] a successful claimant in a passing off claim needs to demonstrate more than nominal goodwill. It needs to demonstrate significant or substantial goodwill and at the very least sufficient goodwill to be able to conclude that there would be substantial damage on the basis of the misrepresentation relied upon".

21. *Smart Planet Technologies* was a passing off case where the evidence showed invoices to two customers totalling €939 and €2291 for around 40,000 paper cups. There was evidence in that case that the UK market in paper cups was approximately 2.5 billion paper cups per year and only limited evidence of advertising in the UK. Mr Mitcheson found at [37] to [40] of his decision that the evidence "fell well short of what [...] would have been necessary to establish sufficient goodwill to maintain a claim of passing off".

22. The evidence in support of the claim to goodwill is provided by Simeng Ye, the manager of the opponent.

23. Exhibit SY1 consists of pages from amazon.co.uk showing the "Comsoon FM-BT70 Bluetooth FM Transmitter, Wireless Radio Adapter" being offered

for sale in the “Car & Vehicle Electronics” section. The pages date from 30 December 2022, but there are entries on the “Customer questions and answers” section which date from 1 November 2017 to 8 April 2018.

24. Exhibit SY2 shows emails from amazon.co.uk expressing thanks for the listing of products, all to the same person, xxxxx.xxxx@outlook.com. The first one is dated 14 October 2017 thanking “iBeek Direct” for listing “Comsoon Bluetooth FM Transmitter...” (Amazon Stock Keeping Unit (“SKU”) code EU2-FM Transmitter BT70), and one dated 7 December 2017, also thanking iBeek Direct, this time for listing “Comsoon Bluetooth Car Receiver...” (Amazon SKU code EU2-BT58N Car Receiver -Black). Then there is an email dated 16 November 2018 thanking “Comsoon EU” for listing “Bluetooth FM Transmitter...” (Amazon SKU code EU2-C52) and one dated 2 November 2018 also thanking Comsoon EU this time for listing “Comsoon Bluetooth Headphones...” (Amazon SKU code EU2-Bluetooth Headphones-R701). Finally, there is an email from amazon.es, but I cannot take this into account as I so not consider this to be evidence of products being offered for sale under the unregistered mark to UK consumers.

25. Exhibit SY3 shows confirmed sales of £222.65 on amazon.co.uk of Comsoon products which were delivered to various addresses in the UK as follows:

EU2-FM Transmitter BT70, 12 December 2017, Whitley Bay, £23.99
EU2-FM Transmitter BT70, 30 October 2017, Norwich, £19.99
EU2-FM Transmitter BC02-Black, 20 November 2017, Norwich, £15.99
EU2-FM Transmitter BC02-Black, 15 November 2017, King’s Lynn, £15.99
EU2-FM Transmitter BC02-Black, 18 November 2017, Coventry, £15.99
EU2-FM Transmitter T19-Black, 18 November 2017, Salisbury, £15.99
EU2-FM Transmitter T19-Black, 16 November 2017, Milton Keynes, £15.99
UK2-Bluetooth-FM Transmitter-Grey, 22 December 2017, Nelson, £11.84
UK2-Bluetooth-FM Transmitter-Grey, 22 December 2017, Nelson, £16.93
EU2-BT58N Car Receiver -Black, 26 December 2017, Shildon, £15.99
EU2-BT58N Car Receiver -Black, 26 December 2017, Rugeley, £15.99

EU2-FM Transmitter BT70, 30 October 2017, Belfast, £19.99

EU2-Bluetooth Headphones-R701, 16 May 2019, London, £8.99

EU2-Bluetooth Headphones-R701, 27 April 2019, Eltham, £8.99

The Product Name descriptions of the items listed above make it clear that all of these products are for in-car use and that the FM transmitters and car receivers have built-in USB charging ports.

26. Exhibit SY4 consists of undated photographs of Comsoon products bearing the unregistered mark “Comsoon” and one undated photograph of Comsoon packaging bearing the unregistered mark “Comsoon”. The products in the photographs are of the same type as those featured in the small product photographs in the Amazon evidence.

27. Exhibit SY5 shows graphs plotting Amazon ads expenditure on Comsoon products between 1 October 2017 and 1 November 2018. The first graph shows £254.73 advertising spend on the BT70 FM Transmitter, yielding 44 sales which total £1095.45. The second graph shows £15.71 advertising spend on the BC02 FM transmitter, yielding zero sales. Those sales that are recorded are not proven to be to customers in the UK.

28. Simeng Ye states that, “The overall expenditure throughout the years of use of the trademark “COMSOON” by my Company in UK was roughly £1,000 to £1,200.”

29. Simeng Ye has also provided approximate turnover figures as follows:

Year	Amount
2017/2018	£2238.13
2018/2019	£5472.64
2019/2020	£8766.96
2020/2021	£28066.16
2021/2022	£40971.37
2022/2023	£54516.42

30. I note that evidence of individual sales only relates to the first two periods for which revenue is quoted and that, of the 2022/2023 figure, only a small proportion would have been accrued up to the relevant date, 29 May 2022.
31. The opponent claims to have used the unregistered sign “COMSOON” on a variety of goods in the UK prior to the relevant date, and its statement of grounds refers to an even wider range of activity. However, I can only find evidence of the sign’s use on “car audio apparatus” and “USB chargers”.
32. No evidence has been provided as to the size of the relevant markets in the UK.
33. While the opponent has provided some of evidence of goods under the sign being prepared for sale via Amazon in 2017 and 2018, the direct evidence of specific sales to customers in the UK prior to the relevant date is extremely limited, being a very small number of sales in the year 2017 (12 sales, totalling £204.67) and a paltry amount in 2019 (2 sales, totalling £17.98). The evidence of advertising between 1 October 2017 and 1 November 2018, tells us that there were 44 sales of one particular product, totalling £1095.45, but those sales are not proven to be to customers in the UK.
34. The marketing expenditure of roughly £1000 to £1200 during the period up to the relevant date is very modest. No evidence of the size of the relevant markets has been provided, but the documented sales are likely to be a tiny fraction of the size of the car audio and USB charger markets.
35. The opponent has furnished evidence of turnover in the periods from 2017/2018 up to the relevant date, but there is no breakdown of such figures that would enable me to attribute them to particular goods for which the opponent has claimed use under the sign.

Determining whether there is goodwill is a multifactorial assessment. I must take account of the reach of the evidence, the length of time the relevant public has been exposed to the sign and how intensive the use has been, as

well as the amount of money invested promoting the sign. The evidence filed is simply not sufficient for this purpose. Notably, bearing in mind that the relevant date is 29 May 2022, 14 sales proven to be in the UK in 2017 and 2 in 2019 (together with evidence from the advertising data of 44 sales of a particular product between October 2017 and November 2018 which are not proven to be in the UK) does not build up a picture that is sufficiently complete for me to find that the opponent had protectable goodwill at the relevant date. One would imagine that it would have been a relatively simple task for the opponent to have provided detailed documentary evidence of sales in each of the years up to the relevant date, particularly as the quoted revenue figures get exponentially bigger over time. However, the opponent has not done this.

36. The opponent has failed to establish that there was any goodwill in the sign “COMSOON” in the goods relied upon at the relevant date and, therefore, the opposition based upon section 5(4)(a) falls at the first hurdle.

CONCLUSION

37. The opposition under section 5(4)(a) has been unsuccessful. The application will proceed to registration.

COSTS

38. The applicant has been entirely successful. In line with Annex A of Tribunal Practice Notice 2 of 2016, I award costs to the applicant as below.

Preparing a statement and considering the other side’s statement:	£200
Considering the other side’s evidence:	£500
Total:	£700

39. I order Shenzhen Cuiyi Dianzi Keji Co, LTD to pay Pentagon Technology Ltd the sum of £700. 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 22nd day of August 2024

JOHN WILLIAMS
For the Registrar