BL O-0889-24

TRADE MARKS ACT 1994

IN THE MATTER OF CONSOLIDATED PROCEEDINGS

UK TRADE MARK APPLICATION 3730579 IN THE NAME OF RAZOR USA LLC
FOR THE TRADE MARK:

# POWER RIDER

AND

FAST TRACK OPPOSITION THERETO UNDER NO 600002212
BY A CREATIVE LIVE

# AND

IN THE MATTER OF UK TRADE MARK NO 917928060
IN THE NAME OF A CREATIVE LIVE FOR

# POWER RIDER

AND
A CANCELLATION APPLICATION THERETO UNDER NO 505328
BY RAZOR USA LLC

## BACKGROUND AND PLEADINGS

1. On 8 December 2021, Razor USA LLC (”Razor”) applied to register the trade mark POWER RIDER in classes 12 and 28.[1] The specification is as follows:

> Class 12
> Four-wheeled motor vehicles; Go-carts; Land vehicles and structural parts therefor; Three-wheeled motor vehicles; Tricycles not being toys; Two-wheeled motorised vehicles; Wheels for scooters; Bicycles; Electrically-powered motor scooters; Handle bar grips for scooters; Motor scooters; Motor scooters and structural parts therefor; Push scooters; Push scooters and structural parts therefor; Self-balancing scooters, Bicycles; Electrically-powered motor scooters; Handle bar grips for scooters; Motor scooters; Motor scooters and structural parts therefor; Push scooters; Push scooters and structural parts therefor; Self-balancing scooters.
>
> Class 28
> Toy scooters; Toy scooters and accessories therefor, Elbow pads for athletic use; Electronic toy vehicles; Knee guards for athletic use; Knee pads for athletic use; Recreation apparatus in the nature of cambering boards in the nature of a deck with small wheels on swivels that one rocks to propel; Recreation apparatus in the nature of caster-propelled caster boards; Ride-on toys; Ride-on toys and accessories therefor; Rideable toy vehicles; Rideable toys and accessories therefor; Skateboards; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles, namely, caster boards; Non-electronic toy vehicles, Tricycles being toys; toys, games and playthings and parts and accessories for all the foregoing goods.

2. The application was published on 31 December 2021, following which A Creative Live (“Creative”) filed a notice of opposition against all of the goods in the application.

[1] International Classification of Goods and Services for the Purposes of the Registration of Marks under the Nice Agreement (15 June 1957, as revised and amended).

3. Creative's opposition 600002212 is based on section 5(2)(a) of the Trade Marks Act 1994 ("the Act"), which reads:

> "5(2) A trade mark shall not be registered if because—
>
> (a) it is identical with an earlier trade mark and is to be registered for goods or services similar to those for which the earlier trade mark is protected…"

4. For the purposes of the 5(2)(a) ground Creative relies on its own POWER RIDER mark, which is a 'comparable trade mark' created in accordance with withdrawal legislation enacted when the UK left the European Union (EU). It was applied for as an EU trade mark on 8 July 2018 and registered as such on 25 October 2018. The comparable mark is treated as though it has been registered in the UK throughout and stands as follows:

| **Mark:** | **Goods relied on:** |
|---|---|
| UKTM: 917928060<br>POWER RIDER<br>**Applied for** on 8 July 2018<br>**Registered** on 25 October 2018 | **Class 18:**<br>Luggage, bags, wallets and other carriers; Umbrellas and parasols; Saddlery, whips and apparel for animals; Shoulder straps; Shoulder belts [straps] of leather; Boxes of leather or leatherboard; Imitation leather hat boxes; Cases of leather or leatherboard; Leather luggage straps; Imitation leather sold in bulk; Document cases of leather; Labels of leather; Card holders made of imitation leather; Card holders made of leather; Girths of leather; Toiletry bags sold empty.<br><br>**Class 28:**<br>Fairground and playground apparatus; Sporting articles and equipment; Festive |

| | |
|---|---|
| | decorations and artificial Christmas trees; Toys, games, playthings and novelties. |

5. The full extent of Creative's pleadings under the 5(2)(a) ground is: *"We believe that this mark is identical to our trade mark (same name: POWER RIDER; same class: 28)."*

6. Razor filed a counterstatement in which it accepted the parties' POWER RIDER marks are identical but denied any similarity between the goods.

7. In addition, as part of its counterstatement, Razor raised what it sees as two problems with Creative's initial pleadings. The first is an amendment made by the tribunal to Creative's TM7F (fast track opposition) and the second is Creative's non-response to tribunal letters seeking clarification of the clash between the parties' goods. These issues were dealt with at the hearing as preliminary issues, I will return to them later in this decision.

8. On 2 September 2022, Razor sought invalidation of Creative's earlier POWER RIDER mark under section 47 of the Act. It does so on grounds under sections 5(4)(a) and 3(6) of the Act. The relevant parts of section 47 are:

> "47. (1) The registration of a trade mark may be declared invalid on the ground that the trademark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration).
>
> (2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground –
>
> (a) …
>
> (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."

9. Section 5(4)(a) of the Act reads:

"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."

10. Subsection (4A) of Section 5 reads:

(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."

11. Under this ground, Razor relies on its use of the POWER RIDER sign throughout the UK since 2014 for 'toys; ride-on toys; toy vehicles; electronic toy vehicles; toy scooters and tricycles'.[2]

12. It submits:

> *"[Razor's] mark enjoys extensive goodwill in the UK. The use of [Creative's] trade mark in respect of the goods that [Razor] has goodwill in will mislead and misrepresent the public into believing that such goods are provided by, endorsed by, or otherwise commercially linked to [Razor]. This will inevitably lead to considerable damage to the goodwill associated with [Razor's] mark."*

13. Razor's second ground for invalidation is section 3(6) of the Act, which reads:

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

14. Razor claims:

> *"…[Creative] applied for its mark in bad faith. On 8 July 2018, [Creative] filed the application covering various goods in classes 18 and 28; which included the broad terms 'sporting articles and equipment' and 'toys, games, playthings and novelties'. However, in its defence to these proceedings, dated 3 January 2023, [Creative] has admitted that its products only include 'manually-operated exercise equipment'. As a result, [Razor] submits that, at the time of filing, [Creative] had no intention to use the mark for the broad range of goods applied for and, therefore, the application was filed in bad faith."*

15. Both sides filed evidence. Razor filed a skeleton argument. A hearing took place before me on 11 July 2024 at which Razor was represented by Mark Holah of Bird & Bird LLP. Creative was represented by Hassan Bazzi, the director of that company.

[2] Razor initially relied on a longer list of goods, but this was subsequently reduced by letter, dated 28 May 2024.

16. Mr Hassan Bazzi attended the hearing for cross-examination on certain aspects of his evidence. Mr Paul Ota of Creative assisted Mr Bazzi with translation during the hearing.

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

**Preliminary issues**

Rectification of Form TM7F to refer to the Application

18. Creative's opposition was filed on 7 February 2022. The first box on the form asks the opponent (Creative) to put in the number of the trade mark they want to oppose. In error, Creative put its own trade mark number rather than Razor's trade mark number. On 9 February 2022, a member of the tribunal had the form corrected and scanned on to the correct trade mark file.

19. Razor's representative submits that the form was rectified in accordance with rule 74(2) of the Trade Marks Rules 2008 (as amended) (the Rules), without notifying Razor, asking Creative to file a corrected form or giving the parties the opportunity to object. Razor concludes:

> *"5. Therefore, [the] Applicant submits that as the Form TM7F was not rectified in accordance with the Rules, the Form TM7F should be disregarded, and the Opposition fail."*

20. At the hearing, I explained to Mr Holah, for Razor, that in my view this is an obvious error on all fours with the tribunal's earlier decisions in *SAGA*[3] and *The Company Shop*.[4] At paragraph 17 of SAGA, the hearing officer held:

[3] BL O/237/09
[4] BL O/058/05

17. In The Company Shop (supra) I stated:

> "34. Whilst Section 38 and rule 13 indicate that "any person" may file an opposition, I cannot imagine a situation where a person would wish to go to the effort and expense of opposing his own application where alternative options to amend applications or avoid registration exist. To do so would be somewhat illogical if not perverse. It seems clear to me that in completing the details in the way described in the paragraphs 5 and 33 above, Mr Palmer made an obvious error. […]
>
> 35. Obvious errors are capable of correction and the registrar has an inherent power to do so. In the circumstances described above it appears to me that it is appropriate to allow these errors to be corrected."

21. The same is true in this case. Creative completed a form that indicated it was opposing its own trade mark. This is clearly illogical and is an obvious error that the tribunal was perfectly entitled to correct.

Creative's failure to file an amended Form TM7F

22. On 8 March 2022, the tribunal wrote to the Creative informing them that elements of their pleaded case had no prospect of success under section 5(2)(a) of the Act. The Office requested (under Rule 62 of the Rules) that the Opponent file an amended Form TM7F on or before 29 March 2022.

23. On 28 April 2022, the tribunal wrote to the Creative informing them that no amended Form TM7F had been received by the deadline and a further period of time (until 12 May 2022) was allowed. That letter stated, *'the Tribunal is unable to process your notice of opposition until the points raised are resolved'*.

24. On 10 June 2022, the tribunal wrote to the Creative again informing them that no amended Form TM7F had been received before the deadline and a further period of time, until 24 June 2022 would be allowed. Creative was asked *'to specify which of your goods*

*are relied upon as being similar to the applicant's and which of the applicant's goods you believe are similar to your own'*.

25. On 26 July 2022, the tribunal wrote to the Applicant informing them that no amended Form TM7F had been received before the deadlines. Surprisingly, the tribunal stated that the Opposition would proceed.

26. Mr Holah, for Razor, submits:

> *"10…as (i) the Form TM7F is unclear as to which goods are being relied on by the Opponent and how those goods are similar to the Contested Goods (a position held by the Office by virtue of the correspondence sent to the Opponent); and (ii) the Opponent has not complied with any of the Office's requests, the Office should find dissimilarity between the goods in accordance with 11 (iii) of Tribunal Practice Notice (1/2018). Therefore, the Opposition should be dismissed in its entirety and an increased cost award should be made in the Applicant's favour."*

27. The tribunal was clearly reluctant to refuse this opposition as the respective marks are identical and both parties have goods in class 28. However, Creative's failure to specify its goods meant that Razor was forced to request cross-examination of Mr Bazzi, in order to ascertain which goods Creative claim to have an interest in. At the hearing, Mr Holah was clear that this has a cost implication.

28. I intend to deal with this issue in costs and, as I explained at the hearing, I will write to the parties following the issuing of this decision, to invite their costs submissions.

## EVIDENCE

### Razor's evidence

Witness statement of James Dobson

29. Mr Dobson is an 'independent contractor consultant' for Razor, a position he has held since 2014. Since that date he has been, "directly involved in the sales and marketing of the POWER RIDER product…". His statement is dated 17 March 2023.

Witness statement of John Cochrane and exhibits JC1-JC13

30. Mr Cochrane has been the General Counsel of Razor since 2001. He gives evidence intended to show Razor's goodwill in the UK in respect of the POWER RIDER mark. His statement is dated 17 March 2023.

Witness statement of Mark Holah and exhibits MIH1-MIH2

31. Mr Holah is a partner at Bird & Bird LLP, Razor's representatives. His evidence relates to the 3(6) ground and consists of internet searches and a copy of a form TM8 filed by Creative on 3 January 2023. His statement is dated 10 August 2023.

**Creative's evidence**

Witness statement of Hassan Bazzi

32. Mr Bazzi is the CEO of Creative. His statement relates to sales in the US and Canada through a partner company and an order that Creative have placed for 'manually operated exercise equipment, which Creative intends to sell in Europe, under its POWER RIDER mark. His statement is dated 6 October 2023.

**DECISION**

**Issue arising from the hearing**

33. It is necessary for me to clarify at the outset the unusual way in which the hearing played out. Mr Bazzi, for Creative, does not speak English as his first language. Mr Paul Ota who works for Creative was at the hearing to assist with translation, but at numerous points Mr Bazzi spoke over Mr Ota and as a result his submissions were unclear and have not been included in the transcript. I have not considered additional evidence given by Mr Ota, who was not the witness being cross-examined.

34. During cross-examination, Mr Holah sought to establish the goods in which Creative have an interest. Mr Bazzi explained that his goods are manually operated exercise equipment. Mr Bazzi held up pictures of the goods, but as Mr Holah rightly pointed out, these images are not in evidence and cannot form part of the transcript. Throughout the hearing Mr Bazzi insisted that these are his goods of interest and, while referring to another case, not relevant to this one, Mr Bazzi asked me, in essence, why this case could not be settled on the basis that Razor sell 'scooters' and his goods are exercise equipment. I have considered long and hard the status of these submissions made by Mr Bazzi. They were given under oath and I am satisfied that manually operated exercise equipment is a fair description of the relevant goods in which Creative have an interest. Mr Bazzi does not speak English fluently, is not professionally represented and is not particularly well versed in trade mark matters. Throughout the hearing Mr Bazzi indicated that I should proceed on the basis of the actual goods for which he intends to use Creative's POWER RIDER trade mark. Therefore, I am going to treat 'manually operated exercise equipment' in class 28, as a fall-back specification.

**The cancellation under sections 47(1) and 3(6) of the Act**

35. Mr Holah elected to lead with the 3(6) ground and I will do the same. My finding above concerning Creative's goods does not affect the case under this section of the Act. The relevant date for the assessment under section 3(6) is the date of application, namely, 8 July 2018, when Creative applied for the original list of goods in classes 18 and 28.

36. I note that the contested trade mark is a comparable mark cloned from an EU trade mark when the UK left the EU. Consequently, when Creative filed its application, it did not sign a statement of intention to use its trade mark, which is a provision in UK trade mark law (under section 32(3) of the Act) that does not have an equivalent in the EU.

37. The relevant case law is *Sky Limited & Ors v Skykick, UK Ltd & Ors*, [2021] EWCA Civ 1121 in which the Court of Appeal considered the case law from *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH*, Case C-529/07 EU:C:2009:361, *Malaysia Dairy Industries Pte. Ltd v Ankenævnetfor Patenter Varemærker* Case C-320/12, EU:C:2013:435, *Koton Mağazacilik Tekstil Sanayi ve Ticaret AŞ,* Case C-104/18 P, EU:C:2019:724, *Hasbro, Inc. v European Union Intellectual Property Office (EUIPO),*

*Kreativni Dogaaji d.o.o. intervening,* Case T-663/19, EU:2021:211, *pelicantravel.com s.r.o. v Office for Harmonisation in the Internal Market (OHIM), Pelikan Vertriebsgesellschaft mbH & Co KG (intervening),* Case T-136/11, EU:T:2012:689, and *Psytech International Ltd v OHIM, Institute for Personality & Ability Testing, Inc (intervening),* Case T-507/08, EU:T:2011:46. It summarised the law as follows:

"68. The following points of relevance to this case can be gleaned from these CJEU [Court of Justice of the European Union] authorities:

1. The allegation that a trade mark has been applied for in bad faith is one of the absolute grounds for invalidity of an EU trade mark which can be relied on before the EUIPO or by means of a counterclaim in infringement proceedings: *Lindt* at [34].

2. Bad faith is an autonomous concept of EU trade mark law which must be given a uniform interpretation in the EU: *Malaysia Dairy Industries* at [29].

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking must, in order to attract and retain customers by the quality of its goods or services, be able to have registered as trade marks signs which enable the consumer, without any possibility of confusion, to distinguish those goods or services from others which have a different origin: *Lindt* at [45]; *Koton Mağazacilik* at [45].

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

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

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

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

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

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

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

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

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

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

38. Razor makes the following key points with regard to the cancellation under this ground:

> *25. In the Counterstatement, [Creative] refers to paragraph 77 of the Court of Appeal's decision in Sky v Skykick [2021] EWCA Civ 1121 (Tab 2, page 5) where the Court stated that 'the mere breadth of a specification of goods and services is not one of the indicia of bad faith'. [Creative] uses this statement to argue that filing for a broad specification is not an indication of bad faith. However, [Creative] has failed to read the entirety of paragraph 77 which says:*
>
> > *"77. In addition to highlighting the fact that the mere breadth of a specification of goods and services is not one of the indicia of bad faith, Nugee J has identified an important distinction when it comes to the assessment of bad faith. The distinction is between an applicant who makes claim to a specific category of goods or services, when he has no intention of using the mark at all in relation to anything of that description, and an applicant who makes claim to a category which is wider than the goods for which he actually uses or intends to use the mark. In the first case there is a potential indication of bad faith, whereas the second case is fully consistent with a good faith description of the applicant's use and intended use."*
>
> *26. At paragraph 80 of the Court of Appeal's decision in Skykick, the Court found 'that the concept of justification by considering whether there is an arguable claim to legitimate protection of the applicant's actual or potential business is a useful one'.*

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

a) Applying to register a trade mark without an intention to use it is not bad faith *per se*. Therefore, it is not necessary for the trade mark applicant to be using, or

have plans to use, the mark in relation to all the goods/services covered by the specification: *Sky CJEU.*

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

c) However, where the trade mark application is filed without an intention to use it in relation to the specified goods and services, and there is no rationale for the application under trade mark law, it may constitute bad faith. Such bad faith may be established where there are objective, relevant and consistent indications showing that the applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark: *Sky CJEU.*

d) A trade mark may be applied for in good faith in relation to some of the goods/services covered by the application, and in bad faith as regards others: *Sky CJEU*.

e) It is not possible for there to be bad faith in respect of an entire category of goods or services where there was an intention to use the mark in relation to some goods or services within that category (*Sky CJEU*; *Sky CA*).

f) Each category of goods and services must be considered separately, taking into account legitimate use and factors such as an applicant's reputation, brand recognition and expansion which might justify a wide specification: *Sky CA*.

40. I pause here to note that, as is clear from the case law cited above, the onus is on Razor to prove bad faith. Therefore, Creative is not required to provide a positive case of good faith unless and until Razor has presented evidence from which 'a rebuttable presumption of lack of good faith' can be drawn. I will therefore start by examining whether Razor has provided such evidence.

41. The cited cases make clear that the mere fact that an applicant has applied for a particularly broad range of goods or services is not sufficient for a finding of bad faith if the applicant had a reasonable commercial rationale for seeking such protection. There must be something more than a large specification, i.e. objective, relevant and consistent indications showing that the applicant had the intention of a) undermining, in a manner inconsistent with honest practices, the interests of third parties, or b) obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark.

42. During cross examination Mr Bazzi held up what I take to be copies of his trade mark application made at the EUIPO. Again, these pages are not in evidence. He stated that during the application process he was presented with lists of possible goods to choose from, and it seems as though Mr Bazzi was under the impression that he should select all of the goods presented to him, when completing his application form. This submission is not easy to follow in the transcript as it was made while several people were talking, but I made detailed notes during the hearing and remember this submission being made to me.

43. When assessing Mr Bazzi's responses, Mr Holah said:

> *"One thing I would pick up on from what was just said though is that when Mr. Bazzi was holding the form up, what he was saying was he was explaining the terms that they applied for and he said "We had no option to make these narrower", so they had no choice but to pick these terms when they were filing the application. Clearly, that is a misunderstanding of how an EU application is filed. In some ways, it is not relevant here, but in other ways it is, and I know it is relating to the cancellation and we are going backwards, but that seems to me to be an admission they did not choose the specification based on their business intentions. They chose the specification based on what they thought they could put on the form, and those are two very different things, and in the context of an EU application, where there is no intention to use, that might not matter, but I would stay does matter in respect of the claimed rights."*

44. It is clear to me that Creative's goods of interest are manually operated exercise equipment. There are some closely related goods, such as parts and fittings for the particular exercise equipment for which it would be reasonable to seek protection. However, I agree with Razor that it is difficult to see the commercial rationale for such a business to apply for goods such as fairground apparatus, festive decorations and artificial Christmas trees. I find that there is a prima facie case that raises a rebuttable presumption of lack of good faith.

45. Having made such a finding, I turn now to Creative's explanation of the rationale for filing the application. This has been gleaned primarily from the hearing.

- Mr Bazzi submitted at the outset of the hearing that he is not a trade mark expert and does not understand the full extent of the trade mark system. As the person filing trade mark applications on behalf of Creative, then his position is synonymous with Creative's position.

- Creative claims that there was a mistake made in selecting the disparate range of goods and claims that this was done in error, due to misunderstanding the EUIPO application process.

- Creative limited its goods of interest at the start of the cross-examination – though I note, not before this. This was clearly done after the relevant date for the assessment of bad faith.

46. I remind myself that the concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law. I also take account of the concept of bad faith that, so understood, relates to a subjective motivation on the part of the trade mark applicant, namely a dishonest intention or other sinister motive. It involves conduct that departs from accepted standards of ethical behaviour or honest commercial and business practices.

47. It is obvious to me that Creative's specification includes a number of goods that it was never going to offer as part of its business. However, having considered all the factors in this case, I conclude that when Creative completed its application it did so in the genuine but erroneous belief that it was protecting its mark on the basis of its future business plans in accordance with the EUIPO application process. I also remind myself that the EUIPO

process does not require the applicant to sign a statement of intention to use its trade mark for the goods specified in its application, which may have acted as a reminder to Creative when completing the form. I cannot find that Creative had a dishonest state of mind or was attempting to gain a commercial advantage by adopting such a practice. Far from arriving at a way in which to unfairly benefit from the trade mark system, Creative did not understand how to apply for an effective trade mark at all. In conclusion, Creative has displayed a lack of understanding rather than a nefarious purpose in filing its application.

48. The cancellation under sections 47(1) and 3(6) of the Act fails.

**The cancellation under sections 47(2) and 5(4)(a) of the Act**

49. In *Discount Outlet v Feel Good UK,*[5] 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)."

50. The opponent must show that it had goodwill in a business and that the POWER RIDER sign relied upon is associated with, or distinctive of, that business.

**Relevant date**

[5] [2017] EWHC 1400 IPEC

51. In terms of the relevant date for assessment of this ground, in *Advanced Perimeter Systems Limited v Multisys Computers Limited,*[6] Mr Daniel Alexander QC, sitting as the Appointed Person, quoted with approval the summary made by Mr Allan James, acting for the Registrar, in SWORDERS Trade Mark:[7]

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

52. The filing date of the contested trade mark is 8 July 2018. Creative make no claim to use of the sign prior to that date and it is this date that is relevant for the purposes of this assessment.

53. The first hurdle for Razor is to show that it had the requisite goodwill at the date of Creative's application for the contested mark. The concept of goodwill was considered by the House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd*:[8]

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

**Razor's evidence of goodwill**

[6] BL O-410-11
[7] BL O-212-06
[8] [1901] AC 217 at [224]

54. Mr Cochrane describes himself as ‘General Counsel’ of Razor. His statement is dated 17 March 2023. He describes the business as follows:

> *“8. [Razor] is an American designer, developer, producer and seller of products designed for use by child and adults, including, but not limited to, manual and electric scooters, bicycles, toy vehicles, tricycles and related accessories. The company was founded in Cerritos, California in 2000 by Carlton Calvin and Robert Chen when the Cancellation Applicant joined forces with the original inventor of the RAZOR scooter. [Razor] also owns the RAZOR, RIPSTIK, HOVERTRAX, POWER RIDER, DRIFT RIDER and CRAZY CART brands (among other brands). [Razor] has been active in the UK since 2003…*
>
> *10. [Razor] sells an extensive range of products in its field of manual and electric scooters and related goods and accessories, and caters to a wide demographic including young children, teenagers and adults.”*

55. Mr Cochrane states that Razor has used its POWER RIDER mark in the UK since 2014 for the POWER RIDER 360. Sales were made through its UK distributor, ‘Re:creation’ and through authorised retailers (online and in store).

56. Mr Cochrane provides the following figures for POWER RIDER goods shipped to the UK between 2014 and 2018:

| | |
|---|---|
| 2014 | 5459 |
| 2015 | 5941 |
| 2016 | 2963 |
| 2017 | 4009 |
| 2018 | 1158 |
| **Total** | **19530** |

57. A spreadsheet is provided by Mr Cochrane that shows details of the goods branded with the POWER RIDER sign that were purchased by Re:creation between 2014 and 2018. He concludes, *“Total sales amounted to approximately USD $1,561,000.”*

58. Razor's authorised retail stores in the UK include Argos, Currys and Smyths. Its online retailers include Amazon UK, Argos, Currys, Decathlon, Freemans.com 100, Grattan, JD Williams, Littlewoods, Onbuy.com, Robert Dyas, Smyths, The Range and Very.[9]

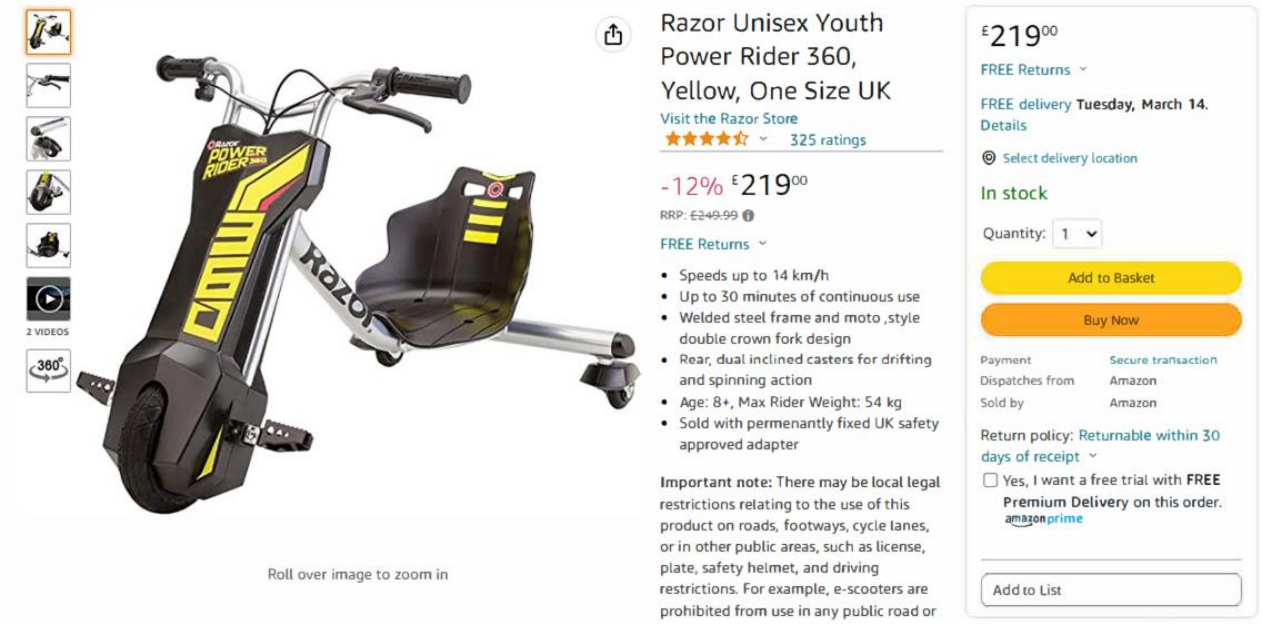
59. Razor's UK website directs customers to the Authorised Retailers to purchase the POWER RIDER product and has done so since 2014:[10]

https://global.razor.com/uk/products/ride-ons/powerrider-360/#where-to-buy

60. A page from Razor's website shows the following, under the heading, 'Where to buy':[11]


61. Mr Cochrane provides examples of the Razor product for sale online.[12] These include, Currys (£219), Argos (£300), Amazon (£219) and Robert Dyas (£259). The product image is the same in each case. It is not clear when these pages were printed, though I note the Amazon page shows the date first available as, 2 June 2014.

[9] Mr Cochrane's witness statement, paragraph 11.
[10] As above.
[11] See exhibit 2 - The page was printed on 10 March 2023.
[12] See exhibit JC3.




62. The Amazon customer questions and answers has four questions visible on the print. These are dated, November and December 2015, April 2016 and January 2021.

63. Mr Cochrane submits that the mark POWER RIDER is shown on packaging and on the goods. He provides an example of packaging, which he confirms was designed in 2013 and was used for all products sold between 2014 and 2019.[13]

64. The POWER RIDER sign appears as follows:



65. The sign appears on the Amazon page as follows:

[13] See exhibit JC4.

**Advertising and marketing**

66. Razor's 2014 and 2015 catalogues show the Power Rider 360 scooter.[14] Mr Cochrane describes these as 'worldwide' catalogues, though it is not clear where these were made available or how many were distributed.

67. An internal brand update by Re:creation from Autumn/Winter 2015 shows a television advertising campaign during the, 'Key Xmas list generation period' in October and November 2014 and in October 2015.[15] The following channels are shown on the pages:


68. The POWER RIDER 360 scooter featured in the 2015 Argos catalogue. The logo shown at paragraph 65 above, is displayed at the top of the page.[16]

69. Sales of the POWER RIDER scooter on Amazon UK are shown to have risen 37% from 407 in 2014 to 559 in 2015.[17]

70. A 2014 advertising recap by Re:creation shows that the POWER RIDER 360 scooter was advertised at live events, on social media and on television as one of four Razor products. The following logos are shown on the recap slide:[18]

[14] See pages 4, 5 and 10 of exhibit JC5.
[15] See exhibit JC6.
[16] See exhibit JC7.
[17] See exhibit JC9.
[18] See exhibit JC10.


71. Mr Cochrane states:

> *"25. [Razor] regularly attends trade shows, including trade shows in the UK. A video showing Jason Bradbury, a British television presenter best known for presenting shows such as Channel 5's technology program The Gadget Show and BBC One's game show Don't Scare the Hare, riding the POWER RIDER branded product at the 2014 Toy Show can be found at https://youtu.be/9kZqO1obflO.I. A video from the 2017 Toy Show in the UK can be found at https://www.youtube.com/watch?v=EpbbngjMgjM."*

72. Neither these videos, nor screen shots from them have been provided in evidence. Consequently, I am unable to view the contents.

73. Mr Cochrane also provides prints of reviews written by its customers of the POWER RIDER 360 scooter, purchased from Amazon UK. There are reviews from 2014 to the present but for the period up to the relevant date, the numbers of reviews posted are as follows:

| **Year** | **Number of reviews** |
|---|---|
| 2014 | 1 |
| 2015 | 21 |

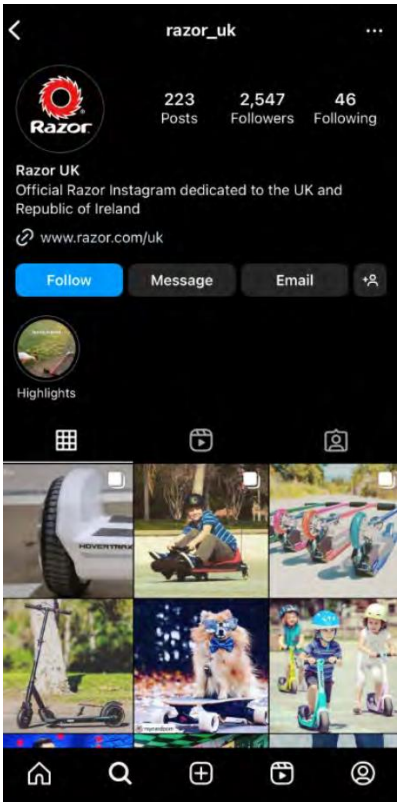
| | |
|---|---|
| 2016 | 9 |
| 2017 | 19 |
| 2018 up to 8 July (the relevant date) | 2 |

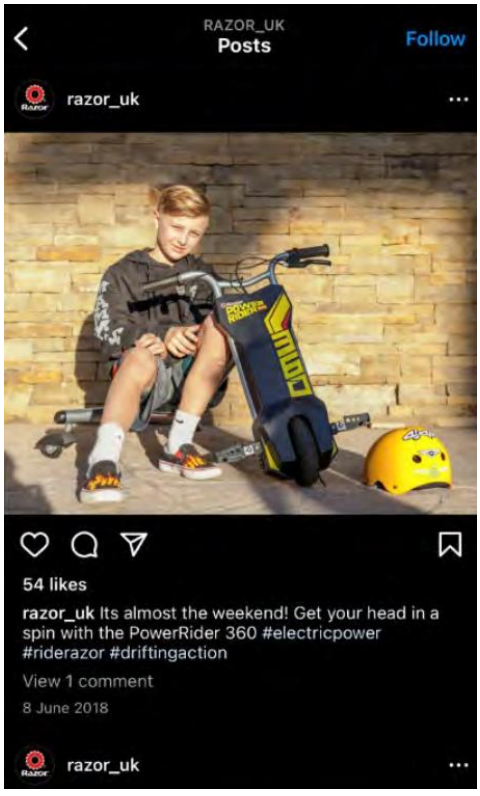
74. With regard to Razor's market share, Mr Cochrane states:

> *"12. In June 2014, NPD US Consumer Panel found that the Cancellation Applicant had 16% of the UK market share for skates, scooters and skateboards and I expect that this level of market share will have been maintained, if not increased, in the years since then."*

**Social media**

75. Mr Cochrane states that Razor has *'a substantial presence online including on popular social media platforms'*.[19] UK figures have only been provided for Instagram, on which Razor has more than 2,500 followers for its UK account Razor UK Instagram account (@razor_ uk), which has been active since 2017. The Razor UK page appears as follows:




[19] See Mr Cochrane's witness statement at paragraph 30.

76. The following figures have been provided for worldwide social media accounts, although I note that these were all created before the POWER RIDER scooter became available in the UK.

- More than 200,000 followers on Instagram for @razorworldwide.
- More than 45,000 followers on TikTok worldwide.
- More than 64,000 subscribers to its YouTube channel for @razorworldwide – active since 2008.
- 268,802 followers on facebook @RazorWorldwide – created in 2011.
- 8,000 followers on Twitter @razorworldwide – active since 2009.
- 4,055 followers on Linkedin.

**Conclusions from Razor's evidence**

77. It is clear from the evidence provided that from 2014 Razor was selling the Power Rider 360 electric scooter in the UK. Sales were made via authorised retailers, who were supplied by Razor's UK distributor, 'Re:creation'. Following Re:creation going into administration in 2019, Razor has continued to sell its goods in the UK. There are current reviews of the product on Amazon and the prints taken from, inter alia, Argos, Currys and Robert Dyas are dated contemporaneously with Mr Cochrane's witness statement. Whilst these examples are after the relevant date, they show that Razor's UK business was operating before the relevant date and has continued to do so. As well as sales by authorised retailers, the evidence also shows direct sales via Amazon UK from 2014 until the present.

78. Catalogues, store product pages and the Amazon website all show the 'Razor' sign and the Power Rider 360 logo on the product details and on the scooter itself. There is also plain text use of Power Rider and Power Rider 360 in product descriptions and reviews. Television advertising took place particularly in 2014 and 2015, in the run up to Christmas. The Toy Show trade fair was attended in, at least 2014 and 2017, although I cannot view the YouTube videos of the Power Rider scooter being ridden by reviewers at those events. Razor engages in social media promotion, though the UK based evidence is limited in this regard as most of the pages are worldwide. Clearly a number of subscribers to worldwide social media accounts will be UK based, but I do not know how many.

79. The number of products sold is just under 20,000 between 2014 and 2018. At first glance, a fairly small quantity within the toy industry as a whole. However, these are not cheap toys, the Power Rider scooter retails at a cost of £200+ and, according to Mr Cochrane, those sales amount to $1.5 million. I also note that Razor had a 16% share of the UK skate, skateboard and scooter market in 2014, part of which will be based on the sales of the Power Rider 360.

80. I have borne in mind that use of Power Rider is often with the '360' suffix. This does not detract from or alter the use made of the Power Rider sign. The evidence clearly shows that Razor uses numbers with other electric toys, including its E90 and E100 scooters.

81. I am satisfied that Razor had sufficient goodwill in its business at the relevant date and that Power Rider was one of the signs associated with that goodwill. The use shown is such that goodwill rests in the words themselves rather than any particular presentation.

82. In terms of the goods to which the Power Rider sign relates, Razor claims goodwill in 'toys; ride-on toys; toy vehicles; electronic toy vehicles; toy scooters and tricycles' in class 28. Goodwill has only been shown in respect of one toy electric scooter, which has two back wheels and is a tricycle of sorts. Accordingly, I find the term 'toys' to be too broad, given the range of goods included within it.

83. Taking account of the evidence, I find protectable goodwill in the Power Rider sign, at the relevant date, for 'ride-on toys; toy vehicles; electronic toy vehicles; toy scooters and tricycles'.

**Misrepresentation**

84. In *Neutrogena Corporation and Another v Golden Limited and Another*, Morritt L.J. stated that: [20]

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

[20] [1996] RPC 473

> ‘is it, on a balance of probabilities, likely that, if the appellants are not restrained as they have been, a substantial number of members of the public will be misled into purchasing the defendants' [product] in the belief that it is the respondents' [product]?’
>
> The same proposition is stated in Halsbury's Laws of England 4th Edition Vol.48 para 148. The necessity for a substantial number is brought out also in *Saville Perfumery Ltd. v. June Perfect Ltd*. (1941) 58 R.P.C. 147 at page 175; and *Re Smith Hayden's Application* (1945) 63 R.P.C. 97 at page 101.”

85. In respect of how many of the relevant public must be deceived or confused for the opponent to be successful in a claim under this ground, I bear in mind the decision in *Lumos Skincare Limited v Sweet Squared Limited and others,*[21] in which Lord Justice Lloyd commented on the paragraph above as follows:

> “64. One point which emerges clearly from what was said in that case, both by Jacob J and by the Court of Appeal, is that the ‘substantial number’ of people who have been or would be misled by the Defendant's use of the mark, if the Claimant is to succeed, is not to be assessed in absolute numbers, nor is it applied to the public in general. It is a substantial number of the Claimant's actual or potential customers. If those customers, actual or potential, are small in number, because of the nature or extent of the Claimant's business, then the substantial number will also be proportionately small.”

86. Razor has established goodwill in the sign ‘Power Rider’. The contested mark is ‘Power Rider’. Clearly these are identical signs. In terms of distinctiveness, the word POWER at the start of the earlier sign alludes to the electric nature of the product. However, in combination, POWER RIDER does not describe the goods or the user and results in a mark that has an average degree of inherent distinctiveness overall.

87. The goods for which the contested mark is to be used is ‘manually operated exercise equipment’.

[21] [2013] EWCA Civ 590

88. Clearly, these goods are far removed from the goods for which Razor has goodwill. In *Harrods Limited v Harrodian School Limited*,[22] Millet L.J. made the following findings about the lack of a requirement for the parties to operate in a common field of activity, and about the additional burden of establishing misrepresentation and damage when they do not:

> "There is no requirement that the defendant should be carrying on a business which competes with that of the plaintiff or which would compete with any natural extension of the plaintiff's business. The expression "common field of activity" was coined by *Wynn-Parry J. in McCulloch v. May* (1948) 65 R.P.C. 58, when he dismissed the plaintiff's claim for want of this factor. This was contrary to numerous previous authorities (see, for example, *Eastman Photographic Materials Co. Ltd. v. John Griffiths Cycle Corporation Ltd*. (1898) 15 R.P.C. 105 (cameras and bicycles); *Walter v. Ashton* [1902] 2 Ch. 282 (The Times newspaper and bicycles) and is now discredited. In the *Advocaat* case Lord Diplock expressly recognised that an action for passing off would lie although "the plaintiff and the defendant were not competing traders in the same line of business". In the *Lego case Falconer J*. acted on evidence that the public had been deceived into thinking that the plaintiffs, who were manufacturers of plastic toy construction kits, had diversified into the manufacture of plastic irrigation equipment for the domestic garden. What the plaintiff in an action for passing off must prove is not the existence of a common field of activity but likely confusion among the common customers of the parties.
>
> The absence of a common field of activity, therefore, is not fatal; but it is not irrelevant either. In deciding whether there is a likelihood of confusion, it is an important and highly relevant consideration,
>
> > '…whether there is any kind of association, or could be in the minds of the public any kind of association, between the field of activities of the plaintiff and the field of activities of the defendant':"

89. Razor's 'ride-on toys; toy vehicles; electronic toy vehicles; toy scooters and tricycles' and Creative's 'manually operated exercise equipment' are clearly different goods. Furthermore,

[22] [1996] RPC 697 (CA)

I cannot envisage the kind of association between the parties' respective fields of activity that would lead to a connection being made between them that could or would give rise to a misrepresentation, despite the fact that Creative's mark and Razor's earlier sign are identical.

Razor's cancellation under sections 47(2) and 5(4)(a) of the Act fails.

**Creative's opposition under section 5(2)(a)**

91. I turn now to Creative's opposition against Razor's application, which I can deal with briefly. The opposition is brought under section 5(2)(a) of the Act, which requires the competing marks to be identical, which they are, both parties' marks being POWER RIDER. The second requirement for this section of the Act is that the contested mark must seek registration for identical or similar goods and/or services. The relevant goods, following the acceptance of Mr Bazzi's reduced goods for which he intends to use his mark, are as follows:

| **Creative's goods** | **Razor's goods applied for** |
|---|---|
| | **Class 12**<br>Four-wheeled motor vehicles; Go-carts; Land vehicles and structural parts therefor; Three-wheeled motor vehicles; Tricycles not being toys; Two-wheeled motorised vehicles; Wheels for scooters; Bicycles; Electrically-powered motor scooters; Handle bar grips for scooters; Motor scooters; Motor scooters and structural parts therefor; Push scooters; Push scooters and structural parts therefor; Self-balancing scooters, Bicycles; Electrically-powered motor scooters; Handle bar grips for scooters; Motor scooters; Motor scooters and structural parts therefor; Push scooters; Push |

| | |
|---|---|
| | scooters and structural parts therefor; Self-balancing scooters. |
| **Class 28**<br>Manually operated exercise equipment. | **Class 28**<br>Toy scooters; Toy scooters and accessories therefor, Elbow pads for athletic use; Electronic toy vehicles; Knee guards for athletic use; Knee pads for athletic use; Recreation apparatus in the nature of cambering boards in the nature of a deck with small wheels on swivels that one rocks to propel; Recreation apparatus in the nature of caster-propelled caster boards; Ride-on toys; Ride-on toys and accessories therefor; Rideable toy vehicles; Rideable toys and accessories therefor; Skateboards; Toy vehicles; Toy vehicles and accessories therefor; Toy vehicles, namely, caster boards; Non-electronic toy vehicles, Tricycles being toys; toys, games and playthings and parts and accessories for all the foregoing goods. |

92. In *Waterford Wedgwood Plc v OHIM*[23] the CJEU said:

> "34 However, the interdependence of those different factors does not mean that the complete lack of similarity can be fully offset by the strong distinctive character of the earlier trade mark. For the purposes of applying Article 8(1)(b) of Regulation No 40/94, even where one trade mark is identical to another with a particularly high distinctive character, it is still necessary to adduce evidence of similarity between the goods or services covered. In contrast to Article 8(5) of

[23] C-398/07 P CJEU

> Regulation No 40/94, which expressly refers to the situation in which the goods or services are not similar, Article 8(1)(b) of Regulation No 40/94 provides that the likelihood of confusion presupposes that the goods or services covered are identical or similar (see, by way of analogy, Canon, paragraph 22).

93. In *eSure Insurance v Direct Line Insurance,*[24] Lady Justice Arden stated that:

> "49...I do not find any threshold condition in the jurisprudence of the Court of Justice cited to us. Moreover I consider that no useful purpose is served by holding that there is some minimum threshold level of similarity that has to be shown. If there is no similarity at all, there is no likelihood of confusion to be considered. If there is some similarity, then the likelihood of confusion has to be considered but it is unnecessary to interpose a need to find a minimum level of similarity."

94. In other words, there must be some similarity between the parties' respective goods in order for me to go on to consider whether or not there is a likelihood of confusion. There is no similarity, accordingly, the opposition by Creative under section 5(2)(a) of the Act fails.

**Conclusion**

**95. Razor's trade mark application 3730579 can proceed to registration for all of the goods for which registration is sought.**

**96. Creative's trade mark 917928060 will remain registered for 'manually operated exercise equipment' in class 28.[25]**

97. I have considered the difference in outcome that would have arisen if I had not decided to take, as a fall-back specification, Mr Bazzi's oral evidence of the goods in which Creative intends to trade. Razor's goodwill would have succeeded in removing 'toys, games, playthings and novelties' from Creative's specification – meaning that Razor's claim under 5(4)(a) would have partially succeeded. Creative's opposition would have removed 'elbow

[24] [2008] ETMR 77 CA

[25] I note that Razor has filed a revocation on grounds of non-use against the same trade mark owned by Creative. It was filed after the date of this hearing.

pads' and 'knees pads' from Razor's application, as those goods fall within the broader term 'sporting articles and equipment' in Creative's trade mark specification – meaning that Creative's claim under 5(2)(a) would have partially succeeded.

98. To my mind this would have been an arbitrary outcome which would require me to ignore the actual activities of both parties and their respective businesses and Mr Bazzi's insistence that manually operated exercise equipment is the only good in which Creative has an interest.

**Costs**

99. Given that the cancellation by Razor and the opposition by Creative have failed, I would normally direct that parties bear their own costs.

100. However, this has been an unusual case, beset with delays and difficulties getting to the hearing. Creative delayed identifying its goods of interest until the hearing, during cross-examination, which meant that Razor was put to additional expense challenging goods that Creative has no interest in.

101. Consequently, Razor has 14 days from the date shown below to make written submissions about appropriate costs for these proceedings. I will permit Creative 14 days from the date of receipt of Razor's submissions to respond to those submissions.

**Status of this decision**

102. This is a provisional decision. I will issue a final decision after deciding on costs. The period for appeal against my decision to strike out the applications and whatever decision I make on costs, will run from the date of my final decision.

**Dated this 12th day of September 2024**

**Al Skilton**
**For the Registrar,**
**the Comptroller General**