O/1063/24

CONSOLIDATED PROCEEDINGS

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3786148 IN THE NAME OF BARGAIN BUSTING LIMITED FOR THE MARK

CRYSTAL BAR

IN CLASS 34

AND THE OPPOSITION THERETO UNDER NO. 435653 BY SHENZHEN SKE TECHNOLOGY CO LTD

AND IN THE MATTER OF APPLICATION NOS. 3811111, 3811123, 3813442, 3846743, 3846736, 3811119 AND 3850637 IN THE NAME OF SHENZHEN SKE TECHNOLOGY CO LTD FOR THE MARKS

SKE CRYSTAL PLUS

SKE Crystal Duo

Crystalbar

IN CLASS 34

AND THE OPPOSITIONS THERETO UNDER NOS. 437783, 437784, 437785, 437790, 437791, 437792 AND 439106 BY BARGAIN BUSTING LIMITED

Background and pleadings

1. On 10 May 2022, Tashmeen Kaur applied for the trade mark CRYSTAL BAR (number 3786148) for the following goods in class 34:

> *Electronic cigarettes; Electronic cigarette filters; Filter tipped cigarettes; Hookah; Tobacco pouches; Cigarette cases; E Liquid; Electronic cigarette liquid; Shisha pen liquid; Disposable cigarettes; Disposable vape bars; Vape bars; Refillable cigarette lighters; Disposable cigarette lighters; Cigarette rolling tins; Electronic cigarette with nicotine; Electronic cigarette without nicotine; Devices for heating tobacco for the purpose of inhalation; Cigarette tips; Cigarette filters; Disposable vape with nicotine; Disposable vape without nicotine.*

2. Following publication, the application was opposed by Shenzhen SKE Technology Co Ltd ("Party A") under sections 5(4)(a) and 3(6) of the Trade Marks Act 1994 ("the Act"). For the section 5(4)(a) ground, Party A relies on its use of the sign CRYSTAL BAR since 2022 throughout the UK in relation to vaping products. It claims, as a result of its goodwill attached to the sign, that use of the contested mark would be liable to be prevented under the law of passing off. Under section 3(6) of the Act, Party A claims that Tashmeen Kaur was aware of Party A's sign and that the contested mark was filed to disrupt Party A's legitimate use of its sign. It claims that Tashmeen Kaur has filed applications for a number of marks owned and used by other vaping product manufacturers, many of which have been opposed, which indicates the applications, including this one, have been filed on an opportunistic basis.

3. Tashmeen Kaur filed a defence and counterstatement denying Party A's claims.

4. Party A applied for the seven other trade marks shown on the cover page of this decision as follows:

(i) 3811111 was filed on 19 July 2022 with a Chinese priority date of 8 June 2022 for the following goods in class 34: *Electronic cigarettes; electronic cigarettes for use as an alternative to traditional cigarettes; electronic smoking pipes; electronic cigars;*

cases for electronic cigarettes; electronic devices for the inhalation of nicotine-containing aerosols; oral vaporizers for smokers; electronic cigarette liquid [e-liquid] comprised of flavorings in liquid form used to refill; electronic cigarette cartridges; liquid nicotine solutions for use in electronic cigarettes; flavorings, other than essential oils, for use in electronic cigarettes; Cigarettes containing tobacco substitutes, not for medical purposes; Cigarettes; Cigarette filters; Cigarette holders; Cigars;

(ii) 3811123 was filed on 19 July 2022 for the same specification as (i);

(iii) 3813442 was filed on 26 July 2022 with a Chinese priority date of 8 June 2022 for the same specification as (i);

(iv) 3846743 was filed on 7 November 2022 with a Chinese priority date of 8 June 2022 for the following goods in class 34: *Herbs for smoking; Oral vaporizers for smokers; Devices for heating tobacco for the purpose of inhalation; Gas containers for cigar lighters; Matches; Filter tips; Flavorings, other than essential oils, for use in electronic cigarettes; Electronic cigarettes; Liquid nicotine solutions for use in electronic cigarettes; Electronic cigarette cases*;

(v) 3846736 was filed on 7 November 2022 with a Chinese priority date of 12 August 2022 for the same specification as (iv);

(vi) 3811119 was filed on 19 July 2022 with a Chinese priority date of 8 June 2022 for the same specification as (i);

(vii) 3850637 was filed on 17 November 2022 with a Chinese priority date of 18 May 2022 for the following goods in class 34: *Devices for heating tobacco for the purpose of inhalation; Electronic cigarette cases; Electronic cigarettes; Electronic cigarettes for use as an alternative to traditional cigarettes; Filter tips; Flavourings, other than essential oils, for use in electronic cigarettes; Gas containers for cigar lighters; Liquid solutions for use in electronic cigarettes; Oral vaporizers for smokers; Tobacco substitutes not for medical purposes.*

5. Tashmeen Kaur opposed all seven of the applications under section 5(2)(b) of the Act on the basis of the earlier mark 3786148 which is opposed by Party A (as set out above). The oppositions were brought on the basis that the goods are identical or highly similar and the marks are highly similar, leading to a likelihood of confusion.

6. Party A filed defences and counterstatements denying the bases of the oppositions and referring to its own opposition against Tashmeen Kaur's earlier mark.

7. All the proceedings were consolidated. Both parties filed evidence. A hearing was held regarding the substantive grounds on 13 March 2024 by video conference. Mr Benet Brandreth KC, instructed by Murgitroyd & Company, represented Party A. Mr Stephen Lowry of Barker Brettell LLP represented Tashmeen Kaur.

8. After the hearing, application 3786148 was assigned by Tashmeen Kaur to Bargain Busting Limited ("Bargain"), who is the present proprietor. Bargain also undertook to stand by the defence and claims, all the evidence and to be liable for costs in all eight of the consolidated cases. It changed its representatives to Brandsmiths SL Limited.

9. I will refer to the papers and the submissions made at the hearing and afterwards as far as they are necessary and relevant to the issues in these proceedings. To simplify matters, I will refer to Tashmeen Kaur and Bargain as 'Party B', unless I need to specify them individually.

10. In his skeleton arguments, Mr Brandreth referred to a case management conference ("CMC") which I held on 5 January 2024 by telephone. Mr Brandreth said that in the light of the reasoning in my interim decision following the CMC, the section 3(6) ground was not pursued, pending any appeal against the interim decision.

11. The CMC was to consider the Tribunal's preliminary view to permit Party A to file further evidence, to which Party B had objected. Two further issues arose: Party A's request to cross-examine Tashmeen Kaur in relation to her Form TM3 and another request to file (additional) further evidence. The latter request was withdrawn at the CMC. I refused both of the other requests for the reasons given in my letter of 9

January 2024, the operative part of which I reproduce here and adopt as part of this decision in case of appeal:

> "3. The opposition has been brought by Party A under sections 3(6) and 5(4)(a) of the Trade Marks Act 1994 ("the Act"). Party A filed evidence in chief on 7 July 2023. From what I can see, none of that goes to the section 3(6) ground. Party B filed evidence on 5 September 2023. Party A chose not to file evidence in reply. Party B requested a main hearing on 20 October 2010 and this was arranged by the IPO on 24 October 2023. It was not until 13 December 2023 that Party A requested to file evidence going to the section 3(6) ground.
>
> 4. This means that until that point, the only material which Party A had filed relating to the section 3(6) ground was its statement of grounds for the opposition (with its form TM7) filed on 18 August 2022. The relevant part reads:
>
> > "In addition [to the section 5(4)(a) ground], it is the Opponent's position that the Applicant has filed the application in bad faith contrary to Section 3(6) of the Act. It is the Opponents submission that, as of the relevant date namely the date of application, the Applicant being aware of the Opponent's use of CRYSTAL BAR in relation to vaping products in the United Kingdom filed the application for the Mark for the dishonest purposes of disrupting the legitimate use of CRYSTAL BAR by the Opponent. The Applicant saw an opportunity to obtain the registration of a mark which it was clearly aware was owned by the Opponent. In particular, it is noted that the Applicant has filed applications for a number of marks which were owned and used by other vaping product manufacturers, many of which have been opposed clearly indicating that the Applicant is filing trade mark applications on an opportunistic basis with no intent to create a market in the goods covered by the Application and the other marks which the Applicant has filed."
>
> 5. The evidence which Party A sought to file on 13 December 2023 consists of a short witness statement from Mr Fiddes adducing 211 pages from the trade mark register of case details of other applications made by Party B, and

correspondence relating to oppositions thereto. Additionally, there are 48 pages of internet prints relating to third parties involved in the oppositions. All of this could have and should have been filed as Party A's evidence in chief. Mr Fiddes submitted that this was all public record material but permission to file it now was being sought out of "an abundance of caution". He said that the evidence would not be a surprise to Party B because they had filed the trade mark applications.

6. The "abundance of caution" submission is misplaced. It is well-known that section 3(6) allegations require cogent evidence because an accusation of bad faith is serious. Without the evidence, I would have to go looking for the unspecified other trade mark applications filed by Party B, referred to in the pleadings, and to read the opposition files. I would then be required to join the dots. I would also not be in a position to know anything regarding the 48 pages of evidence about the parties who brought the oppositions. None of this can be right and therefore playing down the lateness of the request and the request itself as an "abundance of caution" is also not right. Mr Fiddes said that if permission had not been sought, the material would have been referred to at the hearing because it is a matter of public record. The evidence about third parties is not a matter of public record. That would also not be right or fair.

7. That said, the lateness of the request is not an automatic reason to refuse the evidence. Nor is the page-count, objected to by Mr Lowry, since 211 pages of it will be very familiar to Party B's representatives and relatively easily navigated. It is also true that the trade mark applications and the oppositions are facts known to Party B because they are their own applications. I bear in mind that there is a public interest in not allowing applications to become registered which have been made in bad faith. I also bear in mind the guidance, referred to by Party A, set out in *Property Renaissance Limited T/A Titanic Spa v Stanley Dock Hotel Limited T/A Titanic Hotel Liverpool and others* [2016] EWHC 3103 (Ch), regarding requests to file further evidence. However, unlike that case, Mr Lowry told me that Party B would certainly wish to file reply evidence, and that this would include witness statements from third parties. That would more than likely lead to the hearing date of 22 February 2024 being

lost, also not a feature of the *Titanic* case. I agree that this is not a good use of the Tribunal's resources, particularly since the waiting time for a main hearing is several months, and the wait time for a decision to be issued is approaching 20 weeks.

8. Apart from there being a public interest in not permitting bad faith applications to become registered, there is also a public interest in avoiding a multiplicity of proceedings. However, this cannot be allowed to trump all other considerations. The evidence timetable is there to be followed. The request was made two months after the end of the evidence rounds and two months before the final hearing. It was not in response to any evidence that Party B had filed. It was evidence in chief. According to Mr Lowry, the request appears to have coincided with correspondence between the representatives in which it was pointed out by Party B that Party A had not filed evidence to support its section 3(6) ground. I was given no real reason why the evidence had not been filed as evidence in chief, beyond the already mentioned "abundance of caution".

9. I have balanced all of these considerations in reaching my decision to refuse to allow Party A to file the further evidence it submitted on 13 December 2023.

10. The request to cross-examine Tashmeen Kaur about her declaration on the form TM3 is highly unusual. Mr Fiddes said that the request was made because Ms Kaur was not a witness in these proceedings. That is a circular argument; Ms Kaur had not been produced as a witness in these proceedings to meet the section 3(6) allegation because no evidence had been filed by Party A about the section 3(6) allegation. Apart from this being an insufficient reason to allow the request, I am unconvinced that it would take matters forward, given the judgments in *Skykick* and in the absence of any other evidence from Party A about the section 3(6) claim (because it has not filed any which is admissible)."

12. At the substantive hearing, Mr Brandreth also conceded that if Party A were to be unsuccessful in opposing Party B's application, this would mean that Party B's

oppositions against Party A's seven applications would succeed by parity of reasoning (identical or highly similar signs and goods). I will begin with Party A's opposition.

Section 5(4)(a) of the Act

13. 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."

14. 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."

15. Section 5A states:

> "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. The three elements which Party A must show are well known. 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)."

17. The concept of goodwill was explained in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 at 223:

> "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."

18. The relevant date is the filing date of the contested application, 10 May 2022, Party B not having claimed that its mark was used earlier than that date.[1]

[1] *Advanced Perimeter Systems Limited v Multisys Computers Limited* [2012] R.P.C. 14, Mr Daniel Alexander QC, sitting as the Appointed Person.

19. Party A's evidence comes from Jinghan Zhang, who has been its sales director since September 2021.[2] She states that, in 2021, Party A began to develop a new range of disposable vaping products to be sold under the trade mark CRYSTAL BAR. As part of this process, Party A began a "soft launch" of CRYSTAL BAR products in the UK in December 2021. Ms Zhang states that the soft launch involved initial marketing to selected retailers and reviewers. As support for her statement, she refers to Exhibit 1 which she describes as a selection of material relating to the World Vape Show held in London on 10th to 11th December 2021. She states that Party A attended the Vaper Expo UK Exhibition held at the NEC in Birmingham between 7th and 9th October 2022. Exhibit 2 is said to support this statement, described by Ms Zhang as material relating to the NEC event which she states shows "extensive use" of CRYSTAL BAR. Ms Zhang states that Party A was awarded 'Best Disposable of the Show' at the Vaper Expo UK event in October 2022 and in May 2023. Both of the October 2022 and May 2023 events took place after the relevant date. In terms of Exhibit 1, from December 2021, the only material contained in this exhibit is:

[2] Witness statement dated 29 June 2023 and exhibits.

20. Ms Zhang states that Party A sought regulatory approval, submitting its CRYSTAL BAR product to the Medicines & Healthcare Products Regulatory Agency ("MHRA") on 9 March 2022. Following testing by the MHRA, the product was approved for sale in the UK in May 2022. Exhibit 3 comprises an extract from the MHRA website which Ms Zhang states shows that the MHRA had approved the product:

Submitter Name	Product ID	Brand Name(s)	Brand Sub Type Name(s)	Product Type	Published Date
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10019	• SKE	• CRYSTAL STRAWBERRY ICE CREAM 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10017	• SKE	• CRYSTAL CHERRY ICE 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10014	• SKE	• CRYSTAL SOUR BLUEBERRIES 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10003	• SKE	• CRYSTAL TIGER BLOOD 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10010	• SKE	• CRYSTAL FRESH MENTHOL MOJITO 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10009	• SKE	• CRYSTAL BLUEBERRY SOUR RASPBERRY 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10007	• SKE	• CRYSTAL PEACH ICE 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10020	• SKE	• CRYSTAL LEMON AND LIME 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10016	• SKE	• CRYSTAL WATERMELON STRAWBERRY BUBBLEGUM 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10018	• SKE	• CRYSTAL KIWI PASSION FRUIT GUAVA 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10004	• SKE	• CRYSTAL COLA ICE 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10001	• SKE	• CRYSTAL PINK LEMONADE 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10011	• SKE	• CRYSTAL LEMON PEACH PASSION FRUIT 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022
SHENZHEN SKE TECHNOLOGY COMPANY LIMITED	06724-22-10012	• SKE	• CRYSTAL SOUR APPLE BLUEBERRY 20MG/ML	ELECTRONIC CIGARETTE – DISPOSABLE.	09/05/2022

21. The date on which these entries were 'published' is the day prior to the relevant date in these proceedings. The entries refer to CRYSTAL plus flavours, rather than CRYSTAL BAR.

22. Exhibit 4 contains a copy of a non-exclusive distribution agreement dated 14 February 2022. It relates to the supply of CRYSTAL BAR products between Party A and Shemax Limited, a Birmingham-based company. The agreement specifies that the average order quantity by Shemax Limited should be not less than 100,000 pieces per month.

23. Ms Zhang's witness statement refers to Exhibit 4 as also containing copies of sales documents between the two companies, dated 28 March 2022. These were attached to Mr Brandreth's skeleton argument. At the hearing, it became apparent that these were not on the Tribunal's official file; nor had Party B seen them. I allowed their admission and gave Party B fourteen days to file submissions and Party A fourteen days to respond to any submissions made. Mr Lowry did not, in any event, object to page 2 of the missing six pages because it was clearly referred to by Ms Zhang. That more than one page was missing appears clear because Ms Zhang refers in her witness statement to sales *documents* (i.e. in the plural). Page 2 of Exhibit 4 shows that Shemax Limited ordered 30,000 units at a price of $2 per unit, totalling $60,000 on 28 March 2022. Page 3 of the documents is annotated to emphasise that the highlighted goods are those which were published on 9 May 2022; presumably, this is a reference to the publication of items on the MHRA website (Exhibit 3). In Party A's post-hearing submissions, it relies upon page 2 as being sufficient to show that sales were made to Shemax Limited in March 2022, whether or not the other documents in Exhibit 4 are corroborative.

24. Exhibit 5 consists of a marketing brochure by Party A. The versions supplied to the Tribunal and to Party B were of poor quality. I directed Party A to file a better quality version, with written submissions to follow as for the missing six pages in Exhibit 4. Ms Zhang's witness statement draws attention to pages 9 and 10 of the brochure in relation to CRYSTAL BAR on Tik Tok and a 4,000,000 hashtag count. However, there is no dating. It is not possible to say when the figure of 4,000,000 'plays' on Tik Tok was reached, or where those players were located. Similar dating issues arise with the Facebook, Twitter and Instagram evidence contained in Exhibit 5. The page showing Facebook details says that there were "535 followers As of Oct, 2022"; the Twitter page had 66 followers in October 2022 and the official account on Twitter was not created until May 2022. The undated YouTube evidence shows that

there were only 8 subscribers to "SKEvape" and that the views of the 'Crystal Plus' videos took place a matter of weeks before, according to the print. There are photographs of Party A's stand at the October 2022 conference in Birmingham, which means that the brochure must have been produced after that date. In fact, there is a date printed on the cover page: "2022/11" which shows that the brochure does post-date the relevant date. Mr Brandreth confirmed this.

25. Ms Zhang describes Exhibit 6 as showing copies of orders for placing outside advertisements in Birmingham, Manchester and London, with photographs of the advertisements themselves. The first order is dated 12 August 2022 for the advertisement to run once every minute, at a feature length of 10 seconds, from 15 September 2022 to 15 October 2022 at various Manchester locations. The second order shown in this exhibit is dated 11 August 2022 for a digital advertisement in Birmingham. The third order is dated 28 September 2022 for advertising in Manchester and Birmingham city centres between 16 October 2022 and 7 January 2023. The fourth order is dated 7 November 2022 for advertising to run from 8 November 2022 for 8 weeks.[3] Ms Zhang states that, in 2022, Party A's UK marketing spend was £299,000. All the advertising referred to in this exhibit took place months after the relevant date. Ms Zhang states that the marketing efforts resulted in substantial growth in sales of the CRYSTAL BAR product. She states that 40,333,400 units were sold in the UK between 22 February 2022 and 22 November 2022, and that a further 52,264,415 units were sold in the UK between January and May 2023. There are no particularised figures to show me how many units were sold prior to 10 May 2022, other than the 30,000 to Shemax Limited on 28 March 2022.

26. Party B's evidence comes from Mr Lowry in the form of a very brief witness statement and three exhibits.[4] There is no explanation as to the relevance of the exhibits; all that is said is the following:

"**Evidence**

[3] I confirm, as I did at the hearing, that I have watched the digital exhibits (Exhibit SK2 Parts 1, 2 and 3, and Exhibit SK6).
[4] Dated 5 September 2023.

7. There is now shown to me at Exhibit SL01 a letter from SKE [Party A] which it circulated to stockists, wholesalers, distributors, and retailers, among others, in the United Kingdom in July 2002.

8. There is now shown to me at Exhibit SL02 the Medicines and Healthcare products Regulatory Agency ("**MHRA**") guidance obtained from the UK Government website along with print-outs of the MHRA register.

9. There is now shown to me at Exhibit SL03 social media and website evidence relating to the Opponent [Party A] as well as a third party article relating to the Opponent's products in the UK."

27. Exhibit SL01 is an announcement to Party A's customers and partners dated 27 July 2022. It begins: "It has recently come to our attention that a UK E-liquid company is launching a disposable Vape device which looks similar to the Original SKE Crystal Bar Disposable device…". The letter goes on to say that Party A has registered and holds the Crystal Bar trade mark and copyright of the words Crystal Bar relating to disposable devices and that the trade mark has been approved and published in the UK by the IPO.

28. Exhibit SL02 includes four pages from the UK Government's website regarding regulations for e-cigarettes, downloaded on 5 September 2023. The pages contain links to the MHRA. The remainder of the exhibit consists of 16 pages of screenshots taken on 5 September 2023 from the MRHA's website, showing listings of Party A's 'Crystal' products (those listed in Ms Zhang's Exhibit 3) with published dates of 27 February 2023 and 28 August 2023 (the latter date in respect of Crystal Watermelon Strawberry).

29. Exhibit SL03 includes 12 screenshots from Party A's social media platforms, Facebook, Twitter and Instagram, printed on 11 July 2023. Page 6 of the exhibit, from Facebook, shows a post dated 4 November 2022 announcing that "Crystal PLUS" is a new product. Pages 9 and 10 are from the internet archive, the Wayback machine, and appear to show that Party A's website was updated once, on 3 October 2022,

showing Crystal Bar. The final page of the exhibit is a screenshot from vapegreen.co.uk with a review dated 4 August 2022 regarding Party A's Crystal Bar product. It says that the Crystal Bar disposable vape "just debuted here in the UK".

30. It was not until the hearing itself that Party B revealed the purpose of these three exhibits (Mr Lowry's skeleton argument made no mention at all of Party B's evidence). The skeleton argument contained a section entitled "Ex turpi causa non oritur actio" followed by a discourse about the developing case law.[5] Such an issue had not been raised before in the proceedings. The concluding paragraph of this section of the skeleton argument said this, with my emphasis:

> "56. However, in the event that one or both of the grounds put forth by Party A happens to be maintained and upheld, Party B asserts that due to the close link between such grounds and the illegal activity engaged in by Party A, that is its alleged sales pre-Relevant Date, as referred to in its own witness statement, the claims based upon such grounds are tainted by their significantly close factual connection with said illegal activity. <u>The same shall be elaborated upon further during the substantive hearing</u>."

31. The only hint at what this section of the skeleton argument was about is the reference to "alleged sales pre-Relevant Date". There is no explicit or implicit tie to any of the evidence filed by Party B. The final sentence of this paragraph says that the "illegal activity" shall be "elaborated upon further" at the hearing: this presupposes that the matter had already been raised. It had not, and if Party B considered that it had been raised in its skeleton argument, it is inappropriate to make an oblique reference to something in a skeleton argument which has not been raised before and, effectively, to ambush the other party. I say more about this below but record here that I dismiss the *ex turpi causa* point for unfairness of procedure and lack of evidence.

32. There was no explanation in Mr Lowry's witness statement or in his skeleton argument as to the relevance of Exhibit SL02, the list of Party A's products on the

[5] "No action can be based on a disreputable cause", Oxford Dictionary of Law, 7 ed., accessed 16 October 2024.

MHRA website. At the hearing, Mr Lowry explained that he had done his own research and had found that, contrary to the evidence provided by Party A at Exhibit 4 which says that the products were published by the MHRA on 9 May 2022, they were published later than that date.

33. This was an invitation by Party B for me to disbelieve Party A's MHRA evidence: an invitation which had not been explained or foreshadowed prior to the hearing. It is not a case of Party B's evidence being made *clearer* at the hearing (which is how Mr Lowry described it at the hearing): it is that the challenge to the veracity of Party A's evidence was not made until the hearing because it was wholly unclear what Party B's evidence was meant to show. There was no narrative in Mr Lowry's witness statement. This created a procedural unfairness and raised a question as to the weight to be given to Party B's Exhibit SL02, in particular. Mr Lowry offered to provide further clarification during the period I had allowed for submissions following the administrative errors relating to Party A's evidence. I reserved my decision about that until the day after the hearing, when I wrote to the parties to confirm my directions. With regard to Party B's challenge to the veracity of Party A's evidence, I gave my decision as follows:

> "4. Party B's evidence was filed in the form of a witness statement dated 5 September 2023 from Stephen Lowry. It adduced three exhibits and simply listed them in the witness statement, with no explanation as to their relevance. Exhibit SL02 comprises prints from the website of the Medicines and Healthcare products Regulatory Agency (MHRA) showing various of Party A's products being published and the dates of publication. There was no reference to it (or the other exhibits) in Party B's skeleton argument. It was not until yesterday's hearing took place that it became apparent that Exhibit SL02 was a direct challenge to the veracity of similar MHRA evidence filed by Party A (Exhibit 3).
>
> 5. That is procedurally unfair because the explanation and challenge was reserved until there was no opportunity for Party A to file evidence in reply. The witness statement, in adducing Exhibit SL02, should have explained what it was meant to show. This is especially important when the evidence directly

challenges the veracity of the other party's evidence: see Tribunal Practice Notice 5/2007. The nature of the challenge must not become apparent for the first time at the hearing itself.

6. Party B requests leave to file an explanation of Exhibit SL02, thereby reopening the evidence rounds, because Party A would need the opportunity to file evidence in reply to the challenge to its evidence. Unlike the unfortunate administrative errors involving Party A's evidence (referred to at paragraphs 2 and 3 of this letter), the lack of explanation given in Party B's evidence as to what any of the exhibits show seems to me to have been deliberate, especially since there was no reference to its evidence in the skeleton argument. That is unfair and also unhelpful to the Tribunal. For all these reasons, Party B's request is refused. I will give Exhibit SL02 the weight I consider appropriate."

34. Tribunal Practice Notice 5/2007 ("TPN 5/2007") concerns that procedure for parties to challenge evidence in the IPO's tribunal. It says, at paragraph 2:

"2. […] If the evidence consists, as it should, of fact, then the party wishing to have it disbelieved must raise the issue in a way that permits the witness to answer the criticism that his or her evidence is untrue. This can be done by filing written submissions stating why the witness should not be believed in a time frame which gives the witness an opportunity to supplement his or her evidence (if he wishes) before the matter falls to be decided.

3. Normally, this will mean the opposing party making written observations within the period allowed for the filing of its evidence in response to the witness's evidence explaining why the witness should not be believed. Alternatively, the opposing party can file factual evidence in reply of its own which shows why the evidence in question should not be believed. In the further alternative, the opposing party can ask to cross-examine the witness in question at a hearing.

4. However, requesting cross-examination may be disproportionate and unnecessarily costly and burdensome, since in trade mark proceedings the

evidence stages are sequential, providing opportunities to deal with points during the proceedings (see the comments of Richard Arnold QC, as the Appointed Person, in *BRUTT Trade Marks* [2007] RPC 19). Indeed, cross-examination may not be permitted if the truth or otherwise of the challenged statement manifestly has no bearing on the outcome of the case. Written submissions, or evidence which contradicts the witness's evidence, are therefore likely to be the most satisfactory ways to dispute the factual evidence of the other side in the majority of cases."

35. That TPN was published in 2007 and its substance is now to be found within the IPO's Trade Marks Work Manual at 4.8.9 "Challenging evidence". More recently, the Supreme Court has given guidance on the subject in *Tui v Griffiths*.[6] At paragraph 67 of the judgment, Lord Hodge said that it is acceptable to reject the evidence of a witness if they have been given sufficient opportunity to respond to criticism of their evidence. In the present case, Party A has had no opportunity to respond to Party B's criticism of its evidence. If Mr Lowry had explained in his witness statement the significance of his MHRA research with regard to publication dates of Party A's CRYSTAL products, Party A would have had the opportunity to respond to it in reply evidence. Party B's tactic of obscuring the real reason for its evidence until the hearing unfairly denied Party A that opportunity. Party A had not been given notice that the accuracy and reliability of Ms Zhang's evidence was going to be challenged. I will therefore treat Party B's evidence as I would have done had no hearing taken place; in other words, for what I can see without an explanation as to its relevance. I will treat Party A's evidence as unchallenged, while, of course, assessing whether it is sufficient to establish Party A's claim to goodwill at the relevant date.

36. Party B provided its written submissions, as directed in my post-hearing letter of 14 March 2024. Part of those submissions disagreed with my decision regarding the late challenge to Party A's evidence. Even if I wished to vary my decision (which I do not), I have no power to do so.[7] I will briefly give some clarification about that part of Party B's submissions in case of appeal. Party B places emphasis on the way in which

[6] [2023] UKSC 48.
[7] See *TWG Tea Company Pte Ltd v Mariage Frères SA*, Case BL O/396/15, Mr Geoffrey Hobbs QC, sitting as the Appointed Person.

the evidential rounds were run. For reasons which are not clear to me, having consolidated the proceedings and set simultaneous evidence rounds (both sides to file evidence in chief simultaneously and then in reply simultaneously), the Tribunal then gave directions for sequential evidence filings. However, it makes no difference because late challenges to evidence, which have not been foreshadowed in the manner I have set out above, are impermissible, howsoever they arise. At whatever point it was filed, Party B's evidence contained no explanation that Exhibit SL02 was to challenge the veracity or accuracy of Ms Zhang's evidence, and that was not explained until the hearing.

37. Alongside its post-hearing submissions, Party B also filed a witness statement and an exhibit relating to Shemax Limited. Permission was only granted for submissions. No permission to file evidence was sought which means that the 'evidence' is inadmissible. Although permission was not sought, I do not regard this as an 'ambush' because Party B had not had sight of the sale documents in Exhibit 4 prior to the hearing as a result of Party A's administrative error. However, it remains the case that Party B should have requested permission to file it. In the circumstances, I have reviewed the 'evidence' and I find it has no bearing on the outcome of these proceedings, which means that it is unnecessary to provide Party A with an opportunity to file evidence to reply to it because it is immaterial (and I have not admitted it). I note that Party A has replied to it in submissions. The thrust of Party B's evidence, which is in the form of a second witness statement from Mr Lowry, dated 28 March 2024 and prints from Companies House (Exhibit SXL01), is that Shemax Limited has received notices for compulsory strike off on four occasions: 17 November 2020; 29 November 2022; 8 August 2023 and 2 April 2024. Mr Lowry states that the consistent failure to file accounts, or at all after September 2021, means that Shemax Limited was not undertaking a significant level of trading, or not significant enough to warrant purchasing the sort of orders envisaged in the agreement made with Party A. I find that a speculative argument. At the date on which the purchase order for 30,000 pieces was made with Party A, 28 March 2022, Shemax Limited was solvent according to Exhibit SXL01. The question for me is whether Party A had protectable goodwill at the relevant date.

38. In *South Cone Incorporated v Jack Bessant, Dominic Greensmith, Kenwyn House and Gary Stringer (a partnership)* [2002] RPC 19 (HC), Pumfrey J. stated:

> "27. There is one major problem in assessing a passing of claim on paper, as will normally happen in the Registry. This is the cogency of the evidence of reputation and its extent. It seems to me that in any case in which this ground of opposition is raised the registrar is entitled to be presented with evidence which at least raises a prima facie case that the opponent's reputation extends to the goods comprised in the applicant's specification of goods. The requirements of the objection itself are considerably more stringent that the enquiry under s.11 of the 1938 Act (see Smith Hayden & Co. Ltd's Application (OVAX) (1946) 63 R.P.C. 97 as qualified by *BALI Trade Mark [1969] R.P.C. 472*). Thus the evidence will include evidence from the trade as to reputation; evidence as to the manner in which the goods are traded or the services supplied; and so on.
>
> 28. Evidence of reputation comes primarily from the trade and the public, and will be supported by evidence of the extent of use. To be useful, the evidence must be directed to the relevant date. Once raised, the applicant must rebut the prima facie case. Obviously, he does not need to show that passing off will not occur, but he must produce sufficient cogent evidence to satisfy the hearing officer that it is not shown on the balance of probabilities that passing off will occur."

39. However, in *Minimax GmbH & Co KG v Chubb Fire Limited* [2008] EWHC 1960 (Pat) Floyd J. (as he then was) stated that:

> "[The above] observations are obviously intended as helpful guidelines as to the way in which a person relying on section 5(4)(a) can raise a case to be answered of passing off. I do not understand Pumfrey J to be laying down any absolute requirements as to the nature of evidence which needs to be filed in every case. The essential is that the evidence should show, at least prima facie, that the opponent's reputation extends to the goods comprised in the

application in the applicant's specification of goods. It must also do so as of the relevant date, which is, at least in the first instance, the date of application."

40. It is a notable feature of this case that the majority of Party A's evidence is dated after the relevant date. At the hearing, Mr Brandreth accepted that no sales to end consumers were made by the relevant date; the 30,000 sales being to a single distributor.[8]

41. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, Mr Daniel Alexander QC referred to *Pan World Brands v Tripp (Pan World)* [2008] RPC 2, a decision of Mr Richard Arnold QC, as he then was, sitting as the Appointed Person:[9]

> "18. In *Pan World*, the Appointed Person said that, although documentary records of use were not required, mere assertion of use of a mark by a witness did not constitute evidence sufficient to defeat an application for revocation for non-use (see [31]). He did not regard a tribunal evaluating the evidence as bound to accept everything said by a witness without analysing what it amounts to. He pointed out at [37] that Hearing Officers were entitled to assess evidence critically and referred to the observations of Wilberforce J in *NODOZ Trade Mark* [1962] RPC 1 at 7:
>
> > "…in a case where one single act is relied on it does seem to me that that single act ought to be established by, if not conclusive proof, at any rate overwhelmingly convincing proof. It seems to me that the fewer the acts relied on the more solidly ought they to be established."
>
> 19. *Pan World* and NODOZ were applications for revocation for non-use. The approach to use is not the same as in a s.5(4)(a) case. As Floyd J said in *Minimax*, it is possible for a party to have made no real use of a mark for a period of five years but to retain goodwill sufficient to support a passing off action. Conversely, use sufficient to prevent revocation for non-use may be insufficient to found a case of passing off.

[8] Transcript, page 13.
[9] *Supra.*

> 20. However, the approach to evaluation of evidence of use is similar: the less extensive the evidence of use relied on, the more solid it must be. The Registrar is not obliged to accept - and in some circumstances may be obliged to reject - a conclusory assertion by a witness that it has a given goodwill at the relevant date or that the use by a third party of a similar mark would amount to misrepresentation, when the material relied upon in support does not bear that out.

42. Mr Brandreth emphasised the London expo held in December 2021 at which, Ms Zhang states, the 'soft launch' of CRYSTAL BAR goods took place. The evidence relating to the expo is extremely thin. I have reproduced at paragraph 19 the single document which relates to the expo.

43. Ms Zhang states:

> "3. In 2021 my Company began to develop a new range of products to be sold under the trade mark CRYSTAL BAR. The CRYSTAL BAR products are a range of disposable vaping products, designed and manufactured by my Company in our factory in Shenzhen. As part of the development process my Company began a "soft launch" of the CRYSTAL BAR products in the United Kingdom in December 2021. This "soft launch" involved the initial marketing of the product to selected retailers and reviewers to gauge the acceptability of the product to the UK market and was the first use of the trade mark in the United Kingdom as it was the start of trying to develop the market for the products sold under the CRYSTAL BAR brand. Now shown to me marked Exhibit 1 is a selection of material relating to the World Vape Show held in London on 10th - 11th December 2021. In addition, my Company attended the Vaper Expo UK Exhibition held at the NEC in Birmingham between the 7 – 9th October 2022. Now shown to me marked Exhibit 2 is material relating to that event which shows extensive use of CRYSTAL BAR by my Company. My Company was awarded "Best Disposable of the show" at the Vaper Expo UK in both October 2022 and May 2023."

44. There are no details about how many people attended the expo, how many people visited the booth, or how the products were advertised. The document at Exhibit 1 does not show the sign relied upon: it is to publicise Party A's presence at the expo. The digital exhibits do not relate to the December 2021 expo.[10]

45. Mr Brandreth submitted that in December 2021, Party A already had an established business and an established goodwill so that its CRYSTAL BAR sign was not starting from a position of zero goodwill. The December 2021 expo was a 'soft launch': a publicity event. It is not clear whether an advertising campaign featuring a mark can create a protectable goodwill without any actual sales to UK customers. In *Starbucks (HK) Limited and Another v British Sky Broadcasting Group Plc & Others,* [2015] UKSC 31, Lord Neuberger (with whom the rest of Supreme Court agreed) stated (at paragraph 66 of the judgment) that*:*

> "Finally, a point which I would leave open is that discussed in the judgment of Sundaresh Menon CJ in Staywell (see para 46 above), namely whether a passing off claim can be brought by a claimant who has not yet attracted goodwill in the UK, but has launched a substantial advertising campaign within the UK making it clear that it will imminently be marketing its goods or services in the UK under the mark in question. It may be that such a conclusion would not so much be an exception, as an extension, to the "hard line", in that public advertising with an actual and publicised imminent intention to market, coupled with a reputation thereby established may be sufficient to generate a protectable goodwill. On any view, the conclusion would involve overruling Maxwell v Hogg, and, if it would be an exception rather than an extension to the "hard line", it would have to be justified by commercial fairness rather than principle. However, it is unnecessary to rule on the point, which, as explained in para 46, has some limited support in this jurisdiction and clear support in Singapore. Modern developments might seem to argue against such an exception (see para 63 above), but it may be said that it would be cheap and easy, particularly for a large competitor, to "spike" a pre-marketing advertising campaign in the age of the internet. It would, I

[10] They comprise footage from the 2022 expo and advertisements from later in 2022.

> think, be better to decide the point in a case where it arises. Assuming that such an exception exists, I do not consider that the existence of such a limited, pragmatic exception to the "hard line" could begin to justify the major and fundamental departure from the clear, well-established and realistic principles which PCCM's case would involve. In this case, PCCM's plans for extending its service into the UK under the NOW TV mark were apparently pretty well advanced when Sky launched their NOW TV service, but the plans were still not in the public domain, and therefore, even if the exception to the "hard line" is accepted, it would not assist PCCM.

46. It appears to be clear that advertising under a mark is not sufficient to create an actionable goodwill where was no imminent prospect of trade commencing at the time: *Bernadin (Alain) et Cie v Pavilion Properties Ltd* [1967] RPC 581. That point appears to be in Party A's favour as it was preparing to trade in the very near future. Pre-launch publicity appears to have been accepted as sufficient to create an actionable goodwill in the cases of *Allen v Brown Watson* [1965] RPC 191 and *BBC v Talbot* [1981] FSR 228, but as explained in paragraph 3-156 of *Wadlow on the Law of Passing Off,* 6th Ed., the plaintiffs in these cases had long established businesses and goodwills in the UK. The real issue was whether their new marks had become distinctive of those businesses to their UK customers through advertising alone. Until the law is clarified, it is therefore doubtful whether a business with no sales to UK customers can establish a passing off right based solely on advertising. I asked Mr Brandreth to point me to where I could find in the evidence that Party A had an established business in the UK prior to December 2021 or, for that matter, prior to the relevant date. He said that was the effect of paragraphs 2 and 3 of Ms Zhang's witness statement. I have reproduced paragraph 3 above (at paragraph 43 of this decision). Breaking it down, it refers to the new line of CRYSTAL BAR products being developed from 2021, the soft launch in December 2021 at the London expo; the post-relevant date expo in October 2022 and post-relevant date awards at the expo in October 2022 and May 2023.

47. Paragraph 2 says:

> "My Company is a professional manufacturer of electronic cigarettes established in Shenzhen, China in 2013. The company has since become one of the premium electronic cigarette hardware manufacturers in the world. My company employs more than 1500 employees in their 20,000 sq metre factory located in the Baoan District of Shenzhen in the People's Republic of China. The factory is equipped with advanced laboratory facilities where my Company develops and tests its products to ensure that they meet the regulatory standards, which apply to the products supplied by my Company around the world. At the present time my Company is supplying its products to over thirty countries. As a leading manufacturer of electronic cigarettes my Company ensures that all of its products are of the highest quality and to establish this it has obtained ISO9001 / 1ISO14001 / ISO13485 (medical device quality management system) certification and cGMP (Current Good Manufacture Practices) / HACCP (hazard analysis and critical control point) certification."

48. None of this comes close to showing me that Party A had an established trade with customers and goodwill in the UK in December 2021. Much more solid evidence is required. There is nothing elsewhere in Party A's evidence to shed light upon UK trade prior to December 2021.

49. The purchase order from Shemax Limited dated 28 March 2022 pre-dates the relevant date by about six weeks. It is for 30,000 units at a total price of $60,000. For goods which cost so little and which are disposable, 30,000 is not a large amount. I also bear in mind from the evidence that the goods are in the form of a crystalline bar which means that CRYSTAL BAR is not a very distinctive sign.[11] Ms Zhang describes the product as having a "sold crystal design".[12] At the hearing, Mr Brandreth submitted that CRYSTAL was the point of dispute between the parties and that 'bar' is descriptive of the shape of the product.[13] In *Smart Planet Technologies, Inc. v Rajinda Sharma*, Case BL O/304/20, Mr Thomas Mitcheson QC, sitting as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes

[11] For example, page 1 of Exhibit 2 and page 3 of Exhibit 7.
[12] Witness statement, paragraph 7.
[13] Transcript, pages 26 and 27.

of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc* [2015] UKSC 31, paragraph 52, *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."

50. After reviewing the evidence relied on to establish the existence of a protectable goodwill Mr Mitcheson found as follows:

> "The evidence before the Hearing Officer to support a finding of goodwill for Party A prior to 28 January 2018 amounted to 10 invoices issued by Cup Print in Ireland to two customers in the UK. They were exhibited to Mr Lorenzi's witness statement as exhibit WL-10. The customers were Broderick Group Limited and Vaio Pak.
>
> 37. The invoices to Broderick Group Limited dated prior to 28 January 2018 totalled €939 and those to Vaio Pak €2291 for something approaching 40,000 paper cups in total. The invoices referred to the size of "reCUP" ordered in each case. Mr Lorenzi explained that Broderick Group Limited supply coffee vending machines in the UK. Some of the invoices suggested that the cups were further branded for onward customers e.g. Luca's Kitchen and Bakery.
>
> 38. Mr Rousseau urged me not to dismiss the sales figures as low just because the product was cheap. I have not done so, but I must also bear in mind the size of the market as a whole and the likely impact upon it of selling 40,000 cups. Mr Lorenzi explained elsewhere in his statement that the UK market was some 2.5 billion paper coffee cups per year. That indicates what a tiny proportion of the market the reCUP had achieved by the relevant date.

39. Further, no evidence was adduced from Cup Print to explain how the business in the UK had been won. Mr Rousseau submitted to me that the average consumer in this case was the branded cup supplier company, such as Vaio Pak or Broderick Group. No evidence was adduced from either of those companies or from any other company in their position to explain what goodwill could be attributed to the word reCUP as a result of the activities and sales of Cup Print or Party A prior to 28 January 2018.

40. Various articles from Packaging News in the period 2015-2017 had been exhibited but again no attempt had been made to assess their impact on the average consumer and these all pre-dated the acquisition of the goodwill in the UK. I appreciate that the Registry is meant to be a less formal jurisdiction than, say, the Chancery Division in terms of evidence, but the evidence submitted in this case by Party A as to activities prior to 28 January 2018 fell well short of what I consider would have been necessary to establish sufficient goodwill to maintain a claim of passing off.

41. This conclusion is fortified by the submissions of Party B relating to the distinctiveness of the sign in issue. Recup obviously alludes to a recycled, reusable or recyclable cup, and Party B adduced evidence that other entities around the world had sought to register it for similar goods around the same time. The element of descriptiveness in the sign sought to be used means that it will take longer to carry out sufficient trade with customers to establish sufficient goodwill in that sign so as to make it distinctive of Party A's goods."

51. The sale of 30,000 units at $2 each to Shemax Limited is the high point of Party A's evidence. There is very little in the evidence which takes place prior to 10 May 2022. As already mentioned, there is next to no evidence regarding the December 2021 expo and nothing about Party A trading in the UK prior to that date. The MHRA approval did not happen until the day prior to the relevant date. Mr Brandreth submitted that I should infer that there were sales to consumers immediately that they were permitted, given the pre-sale promotion of the brand (at the December 2021 expo) and the established nature of Party A's goodwill. He submitted that the rapid sales achieved after the relevant date were the result of Party A's substantial goodwill

pre-relevant date. In Mr Brandreth's submission, the substantial size of Party A's business enabled it to make the non-exclusive agreement with Shemax Limited for a pricing system that anticipated sales of several millions of items.

52. This comes back to the lack of evidence pertaining to Party A's trade in the UK prior to at least the December 2021 expo, just 5 months prior to the relevant date. The evidence about that event is very thin. There would need to be far more solid and supportive evidence to bolster the relatively small number of sales, the low distinctiveness of the sign, the paucity of evidence about use of the sign prior to the relevant date, and the very short period of time involved between the 'soft launch' and the relevant date. It was submitted on behalf of Party A that it is its distributors that are responsible for marketing, not Party A, and it is they that are likely to hold more evidential material. The bottom line is that the burden is on Party A to prove its case and it is Party A's responsibility to determine how best to obtain and file what is needed to prove its case.

53. The UK trade mark system is based on first to file. If a party wishes to show that it has antecedent rights, it must prove that it had goodwill in the UK in relation to the sign at the filing date of the applied for mark. It is not enough for a party to show that its trade in the UK took off soon after that date, however rapidly. Party A has not shown that it had a protectable goodwill in the UK at the relevant date. Without that, its opposition fails.

Overall outcome

54. Part A's opposition against Party B's application fails. Party B's application (3786148) may proceed to registration.

55. As conceded by Mr Brandreth in his skeleton argument and at the hearing, the consequence of Party A's opposition failing is that Party B's oppositions succeed. Party A's applications are refused (3811111, 3811123, 3813442, 3846743, 3846736, 3811119 and 3850637).

Costs

56. At the hearing, both parties were content for the scale of costs to apply (as published in TPN 2/2016, applicable when these proceedings commenced). However, in its post-hearing submissions, Party B requested off-scale costs on the basis of the extra work caused by Party A's administrative failures; chiefly, the missing six pages of Exhibit 4, and the unclear copy of Exhibit 5. Party A resists that request.

57. I have already referred to the CMC held on 5 January 2024. That was the second CMC I held during the course of these proceedings; the first took place on 22 February 2023. Party A had sought an extension of time to file its evidence-in-chief, and the Tribunal had given a preliminary view to allow the request. Party B objected. It was not until the CMC itself that it became apparent that Party B objected to the extension not because of the reasons for it but simply because it had not received a copy of the extension request (form TM9). Only Party B knew that it had not had a copy; Party A thought that it had sent a copy and was none the wiser; and the Tribunal had not been informed by Party B. All that Party B said in its request for a CMC was "The Applicant respectfully disagrees with the preliminary view and therefore, wishes to be heard on the matter". This would have been the moment to say "we have not had a copy of the form TM9". The CMC request, on the basis it was made, was a waste of the Tribunal's stretched resources. I upheld the preliminary view to allow Party A's request for an extension of time.[14]

58. Therefore, each party has 'won' and 'lost' a CMC and so each will bear its own costs as regards the CMCs.

59. Party A undoubtedly added to Party B's costs by its administrative failures as regards the missing parts of Exhibit 4 and the unclear copy of Exhibit 5. These caused submissions to be filed after the hearing (no award will be made for the inadmissible 'evidence' which Party B filed). I will make a contributory award for those. However, I do not consider the extra work to warrant off-scale costs. The scale is flexible enough to allow for an award to reflect that extra work. In any event, Party B's misplaced

[14] My letter confirming my decision is dated 23 February 2023.

submissions about the evidence rounds and challenges to evidence after I had given my (non-rescindable) decision caused Party A more work in its submissions (although not much). I have not made an award for Party B's evidence because it was of no assistance for the reasons I gave earlier in this decision: taken at face value, nothing was explained in the witness statement which helped me to make my decision.

60. The breakdown of costs is as follows:

Statutory opposition fee x 7	£700
Filing the oppositions and considering the counterstatements x 7	£1400
Considering Party A's opposition and filing the counterstatement	£200
Considering Party A's evidence, both before and after the hearing	£1000
Attending the hearing	£800
Total	£4100

61. I order Shenzhen SKE Technology Co Ltd to pay to Bargain Busting Limited the sum of £4100. 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 8th day of November 2024

Judi Pike
For the Registrar