

O/1065/22

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. UK00003669951

BY ALICJA CLEARY

TO REGISTER:

Extreme Furniture

AS A TRADE MARK IN CLASS 20

AND

IN THE MATTER OF THE OPPOSITION THERETO

UNDER NO. 428743 BY

EXTREME FURNITURE LTD

BACKGROUND AND PLEADINGS

1. On 17 July 2021, Alicja Cleary (“the applicant”) applied to register the trade mark shown on the cover of this decision (“the applicant’s mark”) in the UK for the following goods:

Class 20: Beds; Wooden beds; Bed mattresses; Sofa beds; Adjustable beds; Bunk beds; Children's beds; Bed frames; Bedding for cots [other than bed linen]; Beds, bedding, mattresses, pillows and cushions; Cots for babies.

2. The applicant’s mark was published for opposition purposes on 3 September 2021 and, on 3 December 2021, it was opposed by EXTREME FURNITURE LTD (“the opponent”). The opposition is based on sections 5(4)(a) and 3(6) of the Trade Marks Act 1994 (“the Act”). In respect of the 5(4)(a) ground, the opponent relies on the unregistered sign ‘EXTREME FURNITURE’ (“the opponent’s sign”) which it claims to have been using throughout the UK since 2012 in respect of “furniture, such as, beds, mattresses, beds and cots for children”.
3. The opponent claims that its sign has goodwill through its extensive use within the UK and that use of the applicant’s mark will mislead customers as to the origin between the parties’ goods, particularly given the identical signs and identical goods. Consequently, the opponent claims that this would cause damage to the goodwill of the opponent’s sign.
4. I note that the opponent’s pleaded case under its 3(6) ground is extensive. In short, the opponent’s claim is that the applicant’s mark was filed in bad faith on the basis that she knew of the opponent’s business operations and that she intended to free ride on the opponent’s goodwill and/or block the opponent from selling furniture under its ‘EXTREME FURNITURE’ sign.
5. The applicant filed a counterstatement denying the claims made.

6. The opponent is represented by Katarzyna Binder-Sony of Trademarkia and the applicant is represented by Patent Outsourcing Limited. Only the opponent filed evidence in chief and, in doing so, also filed written submissions. No hearing was requested and both parties filed written submissions in lieu. This decision is taken following a careful perusal of the papers.
7. 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 on in these proceedings are derived from an EU Directive. This is why this decision continues to make reference to the trade mark case-law of EU courts.

EVIDENCE

8. As above, only the opponent filed evidence in chief. This came in the form of the witness statements of Dariusz Fulara dated 6 June 2022 and Kamila Kowalczyk dated 7 June 2022. Mr Fulara is the director of the opponent, a position he had held since 6 February 2022. His statement is accompanied by 11 exhibits, being DF1 to DF11.
9. Ms Kowalczyk is the owner of a company called DSC Kamila Kowalczyk, a position she has held since 19 March 2012. Ms Kowalczyk explains that her company is 'the middle man' that is responsible for buying cots from a company called STOLBON and then sells them to the opponent. Ms Kowalczyk's statement is not accompanied by any exhibits.
10. I will refer to points from the evidence or submissions where necessary.

PRELIMINARY ISSUE

11. As I have set out above, the opponent's evidence, namely the witness statement of Mr Fulara, was filed with 11 exhibits. The narrative evidence makes no specific reference to the exhibits and does not necessarily purport to explain what they

show. For example, there are a number of Amazon or eBay listings and review pages but it is not entirely clear from the narrative evidence what their relevance is to the present proceedings. There are references to misrepresentation of products throughout Mr Fulara's statement but the evidence shows a number of different reviews of products across a range of exhibits and websites. Without direct reference to the specific page of the exhibited evidence, I am unable to determine the precise nature of the exhibits provided. On this point, I note that the opponent's submissions appear to attempt to explain the relevance of the exhibits to the pleaded case. However, these are also very vague and make broad references to the statement of Mr Fulara as a whole or a range of exhibits such as references to "[WS FD, Exhibits FD6-FD11]"¹ and "[WS FD, FD1-FD11]"² are just two examples of this. Presumably the references to 'FD' are typographical errors and should read as 'DF', being Dariusz Fulara.

12. In light of the above, I am presented with some difficulty in determining precisely what the evidence shows. For the avoidance of doubt, it is the burden of the opponent to put forward its case and supporting evidence in a coherent nature that is readily understood. In the present circumstances, it is not appropriate for me (nor fair to the applicant, for that matter) to undertake a detailed exercise in formulating the entirety of the evidential picture on behalf of the opponent. It is not my role as decision maker to put together the opponent's case. Notwithstanding the above, this issue is not necessarily fatal to the opponent's case as there are instances where I am readily able to make sense of the evidence and it is obvious what certain exhibits purport to show.

DECISION

Section 5(4)(a)

13. Section 5(4)(a) of the Act reads as follows:

¹ Paragraph 47 of the opponent's written submissions

² Paragraph 53 of the opponent's written submissions

“(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. 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).”

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

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

- (1) that a name, mark or other distinctive indicium used by the claimant has acquired a reputation¹ among a relevant class of persons; and
- (2) that members of that class will mistakenly infer from the defendant's use of a name, mark or other indicium which is the same or sufficiently similar that the defendant's goods or business are from the same source² or are connected.

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

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

- (a) the nature and extent of the reputation relied upon,
- (b) the closeness or otherwise of the respective fields of activity in which the claimant and the defendant carry on business;
- (c) the similarity of the mark, name etc used by the defendant to that of the claimant;

- (d) the manner in which the defendant makes use of the name, mark etc complained of and collateral factors; and
- (e) the manner in which the particular trade is carried on, the class of persons who it is alleged is likely to be deceived and all other surrounding circumstances.

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

Relevant Date

17. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander K.C., as the Appointed Person, endorsed the registrar’s assessment of the relevant date for the purposes of section 5(4)(a) of the Act, as follows:

“43. In *SWORDERS TM* O-212-06 Mr Alan James acting for the Registrar well summarised the position in s.5(4)(a) proceedings as follows:

‘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.’ ”

18. The applicant’s mark does not have a priority date. In respect of the date of the start of the behaviour complained of, I note that the opponent’s evidence does go into detail about when the opponent first noticed the applicant selling ‘similar items’

on listings created by the opponent in 2018.³ There is no precise date in the narrative evidence of Mr Fulara but there is mention of the information being given to the supplier, STOLBON on 14 December 2018. Outside of this, I have nothing to suggest exactly when the behaviour complained about began. There are a number of Amazon⁴ and eBay⁵ listings that allege to show the applicant using the 'EXTREME FURNITURE' mark, however, these are undated or, alternatively, where there are dated reviews or feedback entries, they are dated in 2022, after the proceedings commenced. Having said that, the eBay listing does show reviews from 2020, 2019 and 2016 on listings for goods sold by 'extreme-furniture'⁶ but there is nothing in the narrative evidence that explains what this evidence is meant to show. I have set out above that this is a general issue with the opponent's evidence as a whole and, therefore, it is not possible for me to determine whether these are genuine reviews relating to the opponent's transactions or misplaced reviews that are meant for the applicant's transactions. As a result, I do not consider that there is any evidence capable of determining when the behaviour complained of began. Therefore, as the case law set out above confirms, the relevant date for the present case is that of the date on which the applicant's mark was filed, being 17 July 2021.

Goodwill

19. The first hurdle for the opponent is that it needs to show that, at the relevant date, it had the necessary goodwill in its business and that the sign 'Extreme Furniture' was distinctive and/or associated with that goodwill. Goodwill was described in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217 (HOL), in the following terms:

"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

³ Paragraph 3 of the witness statement of Dariusz Fulara

⁴ Exhibit DF9

⁵ Exhibit DF10

⁶ Pages 9 and 10 of Exhibit DF10

which distinguishes an old-established business from a new business at its first start.”

20. 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 than 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.”

21. 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.”

22. In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

“62. In my view the law of passing off does not protect a goodwill of trivial extent. Before trade mark registration was introduced in 1875 there was a right of property created merely by putting a mark into use for a short while. It was an unregistered trade mark right. But the action for its infringement is now barred by s.2(2) of the Trade Marks Act 1994. The provision goes back to the very first registration Act of 1875, s.1. Prior to then you had a property right on which you could sue, once you had put the mark into use. Even then a little time was needed, see per Upjohn L.J. in BALI Trade Mark [1969] R.P.C. 472. The whole point of that case turned on the difference between what was needed to establish a common law trade mark and passing off claim. If a trivial goodwill is enough for the latter, then the difference between the two is vanishingly small. That cannot be the case. It is also noteworthy that before the relevant date of registration of the BALI mark (1938) the BALI mark had been used “but had not acquired any significant reputation” (the trial judge's finding). Again that shows one is looking for more than a minimal reputation.”

23. Goodwill arises as a result of trading activities. As I have set out above, the opponent claims to have sold “furniture, such as, beds, mattresses, beds and costs for children” in the UK since 2012:

24. The narrative evidence of Mr Fulara sets out that the opponent has sold living room furniture from 2010 and baby cots from 2014 (with its first sale coming on 1 October 2014). While noted, the evidence appears to focus only on baby cots which are sold with mattresses.⁷ On this point, the listings from Amazon and eBay provided

⁷ See Exhibits DF3 and DF4 which show UK sales from 1 October 2014 and 4 January 2016 of baby cots with mattresses.

for in the evidence also refer solely to cots which come with mattresses.⁸ The eBay listing provides a start date for the listing, being 17 June 2014 and shows that, as at the date on which the print-out was obtained, 4,789 products sold. The product listing shows 'extreme-furniture' as the seller with a 97% positive feedback rating. Given that the print-out is undated, it is possible that some of these sales came after the relevant date. Having said that, this evidence can be viewed in conjunction with the narrative evidence that confirms that the opponent has sold over 30,000 baby cots across the UK. While no precise date range is provided for these sales, I can infer from the evidence that this covers the range of 2014 (being the date which the opponent began to sell baby cots) to the date of the witness statement, being 6 June 2022. Given that the latter date falls after the relevant date, it is inevitable that some sales will have occurred after the relevant date.

25. The opponent has provided an annual breakdown of its turnover from 1 March 2012 to 31 December 2020. This is broken down as follows:

- a. £219,058 between 1 March 2012 and 28 February 2013;
- b. £240,748 between 1 March 2013 and 28 February 2014;
- c. £476,406 between 1 March 2014 and 28 February 2015;
- d. £630,206 between 1 March 2015 and 28 February 2016;
- e. £1,099,830 between 1 March 2016 and 31 December 2016;
- f. £1,621,469 between 1 January 2017 and 31 December 2017;
- g. £1,929,652 between 1 January 2018 and 31 December 2018;
- h. £1,744,529 between 1 January 2019 and 31 December 2019; and
- i. £1,543,980 between 1 January 2020 and 31 December 2020.

26. This amounts to a total turnover of £9,504,878 prior to the relevant date. The evidence does not expressly confirm that these figures relate solely to UK sales, however, taking into account that the evidence confirms that the opponent has sold 30,000 cots in the UK together with the opponent's presence as a UK-based

⁸ Page 1 of Exhibit DF5 and Exhibit DF9

company on eBay⁹ and Amazon.co.uk,¹⁰ I am content to conclude that the turnover relates to UK sales.

27. While still on the topic of the turnover figures, I note that the opponent has not expressly confirmed what goods they cover. Given the focus on cots and mattresses in the evidence, it is reasonable to infer that the figures relate to these goods. However, the evidence confirms that they only began selling cots on 1 October 2014. Therefore, I can only accept the sales figures as covering these goods from that date onwards. As for the figures prior to that date, it is unclear what they cover. Based on what the evidence says in respect of living room furniture being sold from 2010, it is reasonable to infer that the sales prior to 1 October 2014 cover these products. While that may be the case, 'living room furniture' is a broad category of goods that can include sofas, armchairs, coffee tables, desks and cupboards, amongst others. There is no specific evidence of what types of 'living room furniture' has been sold and given the broad nature of the term, I am not willing to accept that the evidence shows any substantial use of 'living room furniture' prior to 1 October 2014.

28. On the point of products sold, I note that the opponent has provided a range of what appear to be nine export invoices regarding products shipped from DSC Kamila Kowalczyk in Poland to the opponent in the UK between 9 and 28 January 2016.¹¹ It could be the case that these goods show sales of other products other than cots. However, they are exclusively in Polish with no translations provided. It is not possible for me to determine what these invoices cover and, therefore, they are of no assistance in the present proceedings.

29. In making an assessment of the existence of goodwill, I must bear in mind the evidence as a whole. I remind myself that the opponent's turnover is £9,504,878 for 1 March 2012 to 31 December 2020 and that the opponent has sold 30,000 baby cots in total. I bear in mind that the figures prior to 1 October 2014 do not relate to cots and the sales figures may include sales after the relevant date turnover figures. This represents the totality of the evidence and I note nothing has

⁹ Exhibits DF1 and DF2 both list the opponent as being located in the UK

¹⁰ Exhibit DF4 shows sales via Amazon.co.uk and list the opponent as 'Extreme Furniture | United Kingdom'

¹¹ Pages 2 to 10 of Exhibit DF5

been provided in respect of marketing expenditure, advertising presence or press coverage. I have no evidence of the size of the market for baby cots in the UK. In the absence of such, I conclude that the market is a sizable one with a turnover of multiple millions of pounds per annum. In comparison to the size of the market, I am of the view that the level of sales are not overly significant. Having said that, I do not consider them to be low. On this point, I am reminded of the fact that a small business which has more than a trivial level of goodwill can protect signs which are distinctive of that business under the law of passing off even though its goodwill and reputation may be small.¹² Taking all of the evidence into account, I am satisfied that the evidence points to a level of sales that is capable of generating a protectable level of goodwill. While that may be the case, I do not consider that the goodwill vests in all of the goods relied upon and, instead, vests only in “mattresses and beds for children” on the basis that (1) cots are beds for children and (2) the evidence shows that mattresses are included within the cots sold.

30. As I have set out above, the goodwill must lie in the opponent’s business and that the sign relied upon must be distinctive and/or associated with that goodwill. Given the nature of the evidence provided in that the majority of sales appear to have been generated via eBay and Amazon, I consider it necessary to assess this point in more detail.

31. I have nothing before me to suggest that the opponent operates via any other avenue other than eBay or Amazon. There is no reference to the opponent’s own website or sales via physical stores. It is my view that when the consumer buys items of Amazon or eBay, it is not necessary their understanding that the goods they are buying are being sold and produced by those companies. For example, I note that the eBay print-out¹³ refers to ‘extreme-furniture’ as the seller and the Amazon print-out shows the product as being branded ‘Extreme Furniture’ and confirms that it is sold by and dispatched from ‘Extreme Furniture’.¹⁴ In both of these examples, I am content to conclude that the consumer would understand that they were buying a product from the opponent therefore meaning that the

¹² *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590

¹³ Page 1 of Exhibit DF5

¹⁴ Page 1 of Exhibit DF9

goodwill generated from these sales rests in the business. Further, I accept that the sign 'EXTREME FURNITURE' would be distinct of and/or associated with that goodwill.

32. To confirm, I conclude that the opponent has demonstrated a moderate level of goodwill in its business for "mattresses and beds for children" and that 'EXTREME FURNITURE' is distinct and/or associated with that goodwill. As a result, I will now proceed to consider whether there is misrepresentation and damage.

Misrepresentation and damage

33. In *Neutrogena Corporation and Another v Golden Limited and Another* [1996] RPC 473, Morritt L.J. stated that:

"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

"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."

And later in the same judgment:

".... for my part, I think that references, in this context, to "more than *de minimis*" and "above a trivial level" are best avoided notwithstanding this court's reference to the former in *University of London v. American University of London* (unreported 12 November 1993). It seems to me that such expressions

are open to misinterpretation for they do not necessarily connote the opposite of substantial and their use may be thought to reverse the proper emphasis and concentrate on the quantitative to the exclusion of the qualitative aspect of confusion.”

34. The applicant’s submissions in respect of misrepresentation are that “to succeed in a claim of passing off it is necessary to show that there has been a misrepresentation to the public that is likely to cause confusion over the origin of the goods.” While noted, this is not the case. On this point, I refer again to the case of *Neutrogena* (cited above) wherein Morritt L.J. stated that:

“The role of the court, including this court, was emphasised by *Lord Diplock in GE Trade Mark* [1973] R.P.C. 297 at page 321 where he said:

‘where the goods are sold to the general public for consumption or domestic use, the question whether such buyers would be likely to be deceived or confused by the use of the trade mark is a “jury question”. By that I mean: that if the issue had now, as formerly, to be tried by a jury, who as members of the general public would themselves be potential buyers of the goods, they would be required not only to consider any evidence of other members of the public which had been adduced but also to use their own common sense and to consider whether they would themselves be likely to be deceived or confused.

The question does not cease to be a “jury question” when the issue is tried by a judge alone or on appeal by a plurality of judges. The judge’s approach to the question should be the same as that of a jury. He, too, would be a potential buyer of the goods. He should, of course, be alert to the danger of allowing his own idiosyncratic knowledge or temperament to influence his decision, but the whole of his training in the practice of the law should have accustomed him to this, and this should provide the safety which in the case of a jury is provided by their number. That in issues of this kind judges are entitled to give effect to their own opinions as to the likelihood of deception or confusion and, in

doing so, are not confined to the evidence of witnesses called at the trial is well established by decisions of this House itself.”

35. In light of the case law above, it is not necessary for the opponent to show that there has been actual misrepresentation to the relevant public. Therefore, a notional assessment of the same may apply.

36. I have found that the opponent enjoys a protectable level of goodwill for the sign ‘EXTREME FURNITURE’ in respect of “mattresses and beds for children”. The applicant’s mark is ‘Extreme Furniture’. While I note that the marks differ in their use of upper case and title case, they are still identical. This is because registration of a word only mark covers its use in both upper and lower case or any customary combination of the two. The applicant’s mark’s specification covers a range of goods that relate to beds. My primary position is that the parties’ goods are identical, however, if this is not the case then they are still similar to at least a medium degree. I find that a consumer who is aware of the opponent’s ‘EXTREME FURNITURE’ mattresses and beds for children would believe that any beds or bedding designed specifically for children produced by the applicant and sold under an identical mark would originate from the same undertaking, being the opponent. Even where the goods are not identical, they relate to beds and bedding and I consider that the same finding applies as it is, in my view, common for producers of beds and bedding, generally, to also produce beds for children. Overall, I find that use of the applicant’s mark for the goods applied for at the relevant date would have constituted a misrepresentation to a substantial number of consumers.

Damage

37. Having found the existence of goodwill and misrepresentation, I consider that damage through diversion of sales is easily foreseeable. The opposition based upon section 5(4)(a) is, therefore, successful. I will now proceed to consider the 3(6) ground.

Section 3(6)

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

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

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

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

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

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

3. The concept of bad faith presupposes the existence of a dishonest state of mind or intention, but dishonesty is to be understood in the context of trade mark law, i.e. the course of trade and having regard to the objectives of the law namely the establishment and functioning of the internal market, contributing to the system of undistorted competition in the Union, in which each undertaking

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

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

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

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

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

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

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

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

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

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

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

40. An allegation of bad faith is a serious allegation which must be distinctly proved, but in deciding whether it has been proved, the usual civil evidence standard applies (i.e. balance of probability). This means that it is not enough to establish facts which are as consistent with good faith as bad faith: *Red Bull*.

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

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

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

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

42. From the evidence provided, the timeline set out by the opponent is that in 2018, the applicant began selling similar items that would appear on the opponent's

listings. An example of how this is appears on Amazon.co.uk is displayed in the evidence¹⁵ and appears as follows:

The screenshot shows three product listings for a baby cot bed. The top listing is for a 'White Solid Wood Baby Cot Bed & Deluxe Foam Mattress ...' priced at £189.00, with 705 ratings and a yellow 'Add to Basket' button. Below it, a section titled '2 other options' is sorted by price + delivery: low to high. The first alternative is priced at £179.99 with free delivery from June 14 to 22, sold by 'Extreme Furniture' (1111 ratings, 72% positive). The second alternative is priced at £230.00 with £40 delivery from June 10 to 20, sold by 'Baby Bambino Trends' (27 ratings, 81% positive). Each listing includes an 'Add to Basket' button and a 'Details' link.

43. The opponent claims that 'Baby Bambino Trends' is the applicant. There is nothing in the evidence expressly confirming that this a company under control of the applicant. The address shown for the 'Baby Bambino Trends' seller is located in Barry, being the same town in which the applicant has its address for service. The addresses are, however, different. Further, there is reference to another company called 'B4Beds' in a print-out that is attached to an eBay listing.¹⁶ Again, there is nothing connecting this company to the applicant. Having said that, I note that the applicant has not sought to deny her involvement in these companies and, in the absence of such, I will proceed on the basis that the applicant has control over both 'Baby Bambino Trends' and 'B4Beds'. On this point, I refer to the comments of

¹⁵ Pages 1 and 2 of Exhibit DF9

¹⁶ Exhibit DF10

Professor Ruth Annand, sitting as the Appointed Person, in *Joseph Yu v Liaoning Light Industrial Products Import and Export Corporation* (BL O-013-05) that:

“ 22. [A] claim of bad faith is not avoided by making an application in the name of an entity that is owned or otherwise controlled by the person behind the application.”

44. In the present case, the application was made by the individual that is in control of these companies and, therefore, a similar position applies in that bad faith (if proven) is not avoided simply because the applicant made the application in her own name rather than in the name of her companies. I will now proceed to consider the evidence insofar as it applies to the bad faith claim.

45. Upon noticing that the applicant was listing similar goods on its Amazon listings, the opponent sought to inform its supplier, STOLBON of the same. This was done via email on 14 December 2018. STOLBON then contacted the applicant and asked her to stop those practices. There are copies of correspondence between the opponent and STOLBON dated between 14 and 17 December 2018 filed in the evidence.¹⁷ At this time, STOLBON confirmed that the applicant was also buying cots from them. The opponent sets out that nothing changed after STOLBON initially contacted the applicant and in 2019 the opponent contacted STOLBON again, this time through Kamila Kowalczyk to inform them that the applicant was still selling goods on Extreme Furniture listings. STOLBON again asked the applicant to cease doing so, which she did for some time. Copies of the correspondence between the opponent and STOLBON are provided in the evidence together with the email that was sent to the applicant dated 24 August 2019.

46. The evidence falls silent between 24 August 2019 and August 2021, being when the opponent was made aware of the application at issue. It was at this time that STOLBON informed the opponent that they had stopped selling to the applicant and wouldn't resume doing so until (1) she withdrew her application, (2) stopped

¹⁷ Pages 1 and 2 of Exhibit DF6

'connecting' to the opponent's listings and (3) stopped using pictures that belonged to the opponent. There is an agreement that STOLBON sent to the applicant included in the evidence that the applicant has signed but STOLBON has not.¹⁸

47. Lastly, I note that the opponent's evidence sets out that on 24 March (presumably 2022 on the basis that there is additional correspondence between STOLBON and the applicant in February 2022)¹⁹, the applicant confirmed that she would withdraw her application provided that the opponent agrees not to chase her for any compensation regarding her actions. The evidence seems to suggest that an agreement was prepared to confirm this but was not signed and that the applicant proceeded with her application. While this is noted, the discussions took place after the proceedings began and are, therefore, likely to fall into being without prejudice correspondence made in the process of settling the matter at issue. Evidence that is considered without prejudice is not admissible before the Tribunal. I note that no further information about these discussions are provided and I accept that it may not have been the case that the discussions were expressly made on a without prejudice basis, however, so long as the content of the discussions were for the purpose of resolving the dispute, they are to be considered without prejudice regardless of whether that term is expressly used or not. Therefore, I am not willing to consider this evidence.

48. Before proceeding to consider whether the applicant was acting in bad faith or not, it is necessary to discuss that the correspondence and agreement referred to in paragraphs 45 to 47 above are in the Polish language. In addition, there are copies of the same that are translated into English. In respect of this evidence, I refer to the case of *ARMANDO POLLINI*²⁰ wherein Professor Ruth Annand, sitting as the Appointed Person, set out that:

"31. Rule 55(4) of the [Trade Mark Rules] applies the practice and procedure of the High Court with regard to witness statements to proceedings in the registry. Moreover, as has been remarked recently (see, for example, Pumfrey J. in

¹⁸ Exhibit DF7

¹⁹ Pages 7 and 8 of Exhibit DF7

²⁰ Case BL O/146/02

WUNDERKIND Trade Mark, 28 November 2001) proceedings before the registrar are intended closely to resemble proceedings in court.

32. It seems to me that exhibits in a foreign language ought to be treated in the same way as the statutory declaration, affidavit or witness statement in conjunction with which they are used. Accordingly, where an exhibit is in a foreign language, a party seeking to rely on it in registry proceedings must provide a verified translation into English.”

49. In the present case, no verified translation has been provided. Further, I have no information as to who made the translations and what their proficiency is in both Polish and English. In the absence of such, I do not consider it appropriate (or fair to the applicant) to allow the opponent to rely on the unverified translations of the foreign language exhibits. For the avoidance of doubt, the above references to these documents and their dates are taken from the Polish versions of the documents, in which it can be readily understood who sent/received the email and on what date it was sent. In addition, the background surrounding these documents is discussed in the opponent’s narrative evidence. In any event, even if the translated copy of the agreement was to be considered (and that it was legally binding), it is not relevant to these proceedings. This is on the basis that it is an agreement between the applicant and STOLBON, not the opponent, it is dated after the relevant date and does not speak to the intention of the applicant as at the relevant date. I will now move to consider the claim in full based on the admissible evidence filed.

50. Firstly, I wish to address the allegation against that the applicant was using the opponent’s Amazon listings to sell the same goods. The applicant sought to explain this in her submissions wherein she claimed that the goods were added to the same ‘Amazon catalogue’ because it was the same product from the same manufacturer as that of the opponent. It is confirmed in the evidence that the applicant was indeed buying the same goods from the same manufacturer as the opponent. This is not something that is dishonest. As for the addition to the opponent’s listing, I do not consider that such an action, whether deliberate or not, is one that points to a dishonest intention. On the contrary, it is likely to be a

common practice across several trades that sellers purchase products from the same manufacturers. Further, it is my understanding that Amazon listings often have links to alternative methods of sale, such as listings by other sellers for the same goods, both new and used. For example, if a product is sold out, a seller may attach their listing to the original one in order to sell the product themselves. This may be at a cheaper price if it is used or, if the product is particularly in demand, the price may be inflated to reflect that demand. I do not consider that this practice is uncommon and is not, in my view, indicative of an act of bad faith.

51. Upon examining the evidence, I accept that the applicant was aware of the opponent's business operations as at the time of making the application at issue. However, I note the cases of *Lindt* and *Koton* (cited above) which set out that the mere fact that an applicant knows of another party using a trade mark in the UK does not establish bad faith. There needs to be something more such as an intention to use the trade mark to extract payment/consideration from a third party such as by leveraging a UK licence from an overseas trader²¹ or to gain an unfair advantage by exploiting the reputation of a well-known name.²²

52. In the present case, the opponent pleads that the application was filed with the intention to free-ride on the coat tails of the opponent's goodwill. While this claim is worded differently than the aforementioned requirement of gaining an unfair advantage by exploiting the reputation of a well-known name, I will accept it as a pleading in line with such an argument. While I have accepted under the 5(4)(a) grounds above that the opponent enjoys a moderate goodwill, this is not the same as it enjoying reputation as a well-known name. On this point, I am not satisfied that the opponent has demonstrated that its 'EXTREME FURNITURE' sign would be a well-known name across the UK. Even if it were, I see nothing in the evidence that points to the applicant attempting to exploit the opponent's well-known name. As I have set out above, the addition of listings on the opponent's sales is not indicative of bad faith. Further, I remind myself that the case law sets out that an allegation of bad faith is a serious one which must be distinctly proved on the balance of probability. On balance, such a claim has not been proven.

²¹ *Daawat Trade Mark*, [2003] RPC 11

²² *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch)

53. I note that in addition to pleading that the applicant's actions are intended to free-ride on the coat tails of the opponent's goodwill, it has pleaded that the application was made with the intention to block the opponent from selling furniture under the sign 'EXTREME FURNITURE'. Under bad faith grounds, the requirement of the opponent is that a prima facie case be raised and it is then for the applicant to deny this. In the present case, I am not satisfied that a prima facie case has been raised. I have nothing before me that points to the applicant's intention to block the opponent. Further, I note that in her written submissions, the applicant set out a denial of this claim in the she states that:

"In applying for registration of the trade mark, the Applicant's intention was not to block the sales of this product by the Opponent as is indicated by the agreement exhibited as Exhibit DF8 of Darius Fulara. The intention was simply to protect the trade mark so that, for instance, sales by others of non-genuine products can be prevented. Accordingly, the application was made in good faith."

54. Given that (1) no prima facie case has been raised and (2) the applicant has expressly denied the same, the opponent's claim in respect of this pleading must fail. However, it is possible that such an admission to prevent use by others may be construed as an admission that the applicant had no intention to use the mark for herself and, given the intention to block other third parties, the applicant may have been made in bad faith as per the case of *Copernicus-Trademarks v EUIPO (LUCEO)*.²³ Having considered this point, the comments above are not, in my view, an admission that the applicant does not intend to genuinely use the mark herself. Further, the comments suggest that the application was filed to prevent third party sales of non-genuine products so does not, therefore, constitute blocking of third parties' genuine attempts to use the same or similar signs. In any event, such a claim was not actively pleaded or pursued by the opponent so I do not consider it relevant to the present case.

²³ Case T-82/14

55. In light of my findings above, the opponent's claim under the 3(6) ground has not been made out and therefore fails.

CONCLUSION

56. The opposition has failed in respect of the 3(6) ground but succeeds in full in respect of the 5(4)(a) ground. As a result, the application is refused.

COSTS

57. The opponent has been successful and is, therefore, entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. In the circumstances, I award the opponent the sum of £1,200 as a contribution towards the costs of proceedings. The sum is calculated as follows:

| | |
|--------------------------------|---------------|
| Filing a notice of opposition: | £200 |
| Filing evidence: | £500 |
| Preparing written submissions: | £300 |
| Official fees: | £200 |
| Total: | £1,200 |

58. I therefore order Alicja Cleary to pay EXTREME FURNITURE LTD the sum of £1,200. This sum should be paid within 21 days of the expiry of the appeal period or, if there is an appeal, within 21 days of the conclusion of the appeal proceedings.

Dated this 5th day of December 2022

A COOPER
For the Registrar