

O/1002/22

TRADE MARKS ACT 1994

IN THE MATTER OF REGISTRATION NO.
UK00003673207 IN THE NAME OF SHENZHEN XINGHENG
INTERNATIONAL ELECTRONIC COMMERCE CO., LTD.
FOR THE FOLLOWING TRADE MARK

ipolex

IN CLASS 9

AND

AN APPLICATION FOR A DECLARATION OF
INVALIDITY UNDER NO. 504553 BY SHENZHEN
10GTEK TRANSCEIVERS CO., LTD.

BACKGROUND AND PLEADINGS

1. Shenzhen Xingheng International Electronic Commerce Co., Ltd. (“the proprietor”) is the owner of the trade mark registration shown on the cover page of this decision (“the contested mark”). The contested mark was filed on 26 July 2021 and entered into the register on 19 November 2021. It stands registered for the following goods:

Class 9: Fibre optic cables; cables for optical signal transmission; optical sensors; fiber optic couplings; optical fibres [light conducting filaments]; electronic components; optical fiber connectors; optical apparatus and instruments; couplings electric; electric cables and wires; nonlinear optical fibers; optical scanners; optical position sensors; cable adapters; data processing apparatus; electronic chip cards.

2. On 1 February 2022, ShenZhen 10Gtek Transceivers Co., Ltd. (“the applicant”) applied to have the contested mark declared invalid under section 47 of the Trade Marks Act 1994 (“the Act”). The application is brought under section 5(4)(a) of the Act and is targeted at the entirety of the proprietor’s specification. It relies on the applicant’s earlier unregistered right of ‘ipolex’ (“the applicant’s sign”) that the applicant claims to have used across the entirety of the UK since 17 June 2016. The applicant claims to have used its sign for the following goods:

LC to LC fibre patch cable; leads multimode duplex; transceiver; Multimode LC Fiber; transceiver module.

3. In support of its application, the applicant claims that it owns goodwill in its sign and that by seeking to register the contested mark, the proprietor made a misrepresentation to the public which is likely to lead the public to believe that the goods offered by the proprietor are those of or related to the applicant. From this, the applicant claims that it has suffered and/or is likely to suffer damage.

4. The proprietor filed a counterstatement denying the claims made. I note that the proprietor also sought to put the applicant to proof of use of its sign. I will discuss this in more detail below.
5. The applicant is represented by IBE Avocats and the proprietor is represented by RevoMark. While the proprietor has been legally represented throughout these proceedings, it has only been represented by RevoMark since the filing of a Form TM33 on 21 July 2022. Only the applicant filed evidence in chief. No hearing was requested and only the proprietor filed written submissions in lieu. This decision is taken following a careful perusal of the papers.
6. 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.

PRELIMINARY ISSUE

7. As I have set out above, the proprietor's counterstatement included a request that the applicant provide proof of use of its sign. Proof of use requirements are only applicable under sections 5(1), 5(2) and 5(3) of the Act. Therefore, this request is one that the applicant need not comply with. However, for the avoidance of doubt, a component of applications for invalidity or oppositions brought under 5(4)(a) grounds is that applicants or opponents provide evidence of goodwill. As I will discuss in detail below, goodwill is something that accrues as a result of trading activities. So while, technically, the applicant does not need to satisfy the provisions of proof of use (being those set out in section 6A of the Act), it is required to provide sufficient evidence pointing to the accrual of a protectable level of goodwill in its business.
8. Further, I note that the counterstatement of the proprietor sets out that the applicant need to provide evidence that is "consecutive from 17 June 2016 until today". The

reference to 'today' is, presumably, the day on which the counterstatement was filed, being 2 April 2022. While not expressly stated, this appears to suggest that the proprietor's position is that the relevant date for the present assessment is 2 April 2022. For the avoidance of doubt, this is incorrect. While evidence needs to be furnished showing use from 17 June 2016 onwards, the relevant date is, as I will discuss in further detail below, 26 July 2021 (being the date upon which the contested mark was filed).

EVIDENCE

9. As above, only the applicant filed evidence in chief. This came in the form of the witness statement of Isabelle Bertaux dated 6 June 2022. Ms Bertaux is employed by the applicant's representative and, as the IP Lawyer of the applicant, is responsible for its trademark and design matters. Ms Bertaux's statement is accompanied by two exhibits, being those labelled Exhibits IB1 and IB2.

10. I do not intend to reproduce the applicant's evidence or the proprietor's submissions in full here, however, I will refer to them below where necessary.

DECISION

Section 5(4)(a)

11. Section 5(4)(a) of the Act has application in invalidation proceedings because of the provisions of section 47 of the Act, which states as follows:

"47. (1) [...]

(2) Subject to subsections (2A) and (2G), the registration of a trade mark may be declared invalid on the ground-

(a) [...]

(b) that there is an earlier right in relation to which the condition set out in section 5(4) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

[...]

(5) Where the grounds of invalidity exist in respect of only some of the goods or services for which the trade mark is registered, the trade mark shall be declared invalid as regards those goods or services only.

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

(6) Where the registration of a trade mark is declared invalid to any extent, the registration shall to that extent be deemed never to have been made: Provided that this shall not affect transactions past and closed.

12. 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.”

13. 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.”

14. 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).”

15. 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

16. I have briefly discussed the relevant date as a preliminary issue above. However, I will deal with it in more detail here. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander KC, 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.’ ”

17. The contested mark does not have a priority date, and neither is there any evidence of earlier use by the proprietor that is capable of being considered the start of the behaviour complained about. As a result, the relevant date for assessment of the applicant's claim under section 5(4)(a) of the Act is the date on which the contested mark was applied for, being 26 July 2021.

Goodwill

18. The first hurdle for the applicant is that it needs to show that, at the relevant date, it had the necessary goodwill in its business and that the sign ‘ipolex’ 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 which distinguishes an old-established business from a new business at its first start.”

19. 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.”

20. 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.”

21. 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.”

22. Goodwill arises as a result of trading activities. I note that the proprietor's submissions include significant criticisms of the evidence filed. Whilst I have read the submissions in full and have taken them into account in reaching my decision, I do not intend to reproduce or even refer to the specific submissions in any great detail save to note that, in short, the proprietor's position is that the applicant has fallen well short of establishing that there exists a goodwill at the relevant date.

23. Turning now to consider the evidence, I note that it sets out both the applicant and its predecessors in title have sold the goods relied upon under the sign 'ipolex' in the UK since 17 June 2016. I remind myself that the goods relied upon are "LC to LC fibre patch cable", "leads multimode duplex", "transceiver", "multimode LC Fiber" and "transceiver module".

24. In support of this claim, I note that the applicant has provided Amazon documents which it claims to show the sign being used in the UK since 17 June 2016.¹ The first set of documents, being Exhibit IB1, simply show one product listing taken from Amazon.co.uk and one order detail. Of this evidence, I note the following:

- a. The product listing is a ten page print-out dated 14 December 2021 that shows a product called an 'LC to LC Fibre Patch Cable' for sale. According to the listing, the product was first available on 17 June 2016 and is shown as being available in various lengths and can be ordered as a single cable or as part of a multipack of four. The listing does feature the 'ipolex' branding and shows that it is sold by 'ipolex-EU'. ;
- b. At page four of the exhibit, I note that there are links to other products that appear to be listed under 'ipolex' branding. Those goods are a media converter, a 1GB SFP Module and a 10GB SFP Module;
- c. On the seventh page of the exhibit, a number of reviews are shown and a total of 148 global ratings. The reviews are 'verified purchases' that cover eight reviews dated between 12 April 2019 and 8 March 2021 from customers within the UK. I note that one of the reviews shown, namely that dated 22 March 2020 refers to the fact that the product is unbranded. There are additional reviews from outside of the UK but these are not relevant to the current assessment I must make;
- d. Of the verified purchase reviews from customers in the UK, I note that there were four sales of the one meter cables, two sales of the five meter cables, one sale of the three meter cable and one sale of a multipack of four one meter cables; and

¹ Exhibits IB1 and IB2

- e. The last page of the exhibit is an order details page confirming that the applicant sold two 'Cisco 1000Base-LX SFP, Gigabit SFP LX Transceivers' to an address in London. The purchase date for these goods was 12 December 2017.

25. Before proceeding to consider the remainder of the evidence, I consider it necessary to confirm that the mere presence of a product listing on Amazon.co.uk is not evidence of sales of the products listed. That being said, I am content to conclude that reviews of 'verified purchases' made by UK customers prior to the relevant date (of which there are eight) is capable of pointing to sales in the UK. However, the same does not apply for the 148 'global ratings'. I note that these are undated and, given the print-out date of the listing, it is possible that some of the sales occurred after the relevant date. Further, it is not clear whether the customers making the ratings are from within the UK, particularly given the reference to '*global*' ratings and the presence of additional international reviews. Lastly, I have not been provided with any evidence or explanation linking any of these ratings to actual sales to UK based customers prior to the relevant date. In the absence of such, I do not consider the 'global ratings' to be evidence of actual sales in the UK prior to the relevant date.

26. Turning to remaining evidence, being Exhibit IB2, I note that this is a collection of six print-outs of Amazon order details. While the print-outs are dated 6 December 2021, they show sales from prior to the relevant date. Of these print-outs, I note the following:

- a. The first two print-outs are duplications of the last page of Exhibit IB1, being that discussed at point d. of paragraph 24 above. This is evident from the purchase date and time and the fact that the order IDs across these print-outs are identical;
- b. The next print-out at page three is an order for one 'Ubiquiti Gigabit RJ45 Copper SFP Transceiver Module' sold on 19 December 2017 to an address in Strathclyde;
- c. The print-out at page four shows another sale of the same good sold at point b. above on 22 December 2017 to an address in Yorkshire;

- d. At page five, there is an order dated 15 December 2017 from a customer in Brighton for two 'ipolex Gigabit Ethernet Fiber Media Converters'; and
- e. The last print-out at page six is for an order dated 18 December 2017 that shows the sale of two 'Cisco 1000Base-LX SFP, Gigabit SFP LX Transceivers' to an address in Hampshire.

27. Having reviewed the evidence, I wish to point out two issues. The first is that I am not convinced that I should accept the five goods that include the words 'Cisco' and 'Ubiquiti' as being goods produced by the applicant. This is on the basis that 'Cisco' and 'Ubiquiti' are, as I understand it, separate technology companies that produce their own branded goods. The second issue is that, as set out above, there is a review present that indicates that the 'LC to LC cable' shown at Exhibit IB2 of the evidence comes unbranded. If this was also the case for the other purchases made of this product, it is possible that the average consumer may not be able to associate it with the applicant's business. As a result, it would be incapable of giving rise to the existence of goodwill in the applicant's business.

28. Even if I were to ignore the issues highlighted in the preceding paragraph, the totality of the applicant's evidence of trade in the UK is that there has been 13 transactions for the sale of 19 products between 12 December 2017 to 8 March 2021. While the claim that use began on 17 June 2016 is noted, there is no evidence of sales on that date. On this point, I do not accept that the date on which the LC to LC cable was first available on Amazon.co.uk is sufficient to point to the beginning of the applicant's trading activities in the UK. If it were, I consider it reasonable to expect some form of confirmation of sales on (or shortly after) that date.

29. The applicant has failed to provide any turnover figures for the goods at issue. However, based on the evidence provided I am able to determine that it shows a total sales revenue of £298.32. This comes from a period of just over four years of activity. For the avoidance of doubt, this calculation was made on the basis of the amounts accounted for in the order details and, in respect of the eight sales of the LC to LC cables, in line with the listing prices on the print-out provided. I bear in mind that this calculation is somewhat artificial as I have no way to determine the

exact price of the multipack of four one meter cables as it is not shown on the print-out so, instead, based the calculation of this on the price of four individual cables (being £6.88 each). Further, I appreciate that the prices shown on the print-outs may not have been the prices of the goods as at the time they were purchased given that the print-out is dated sometime after the majority of the sales.

30. In addition, I note that the applicant has failed to provide evidence of any further activities in the UK that are capable of assisting in painting the picture with respect to the existence of goodwill. Lastly, no evidence has been provided in respect of any marketing or advertising efforts in relation to the applicant's sign.

31. As I have set out above, the proprietor filed detailed submissions criticising the evidence filed. While it is not my intention to reiterate the proprietor's submissions in full, I note that the issues I have raised above are also those that the proprietor sought to raise in its submissions.

32. While I note that even a small business which has more than trivial goodwill can protect signs which are distinctive of the business under the law of passing off,² I consider the evidence filed by the applicant to be far from extensive. In total, the evidence shows that the applicant's UK trading activities consist of 16 transactions to one off customers for the sale of 19 products which resulted in a total revenue of £298.32 prior to the relevant date. While I have no evidence or submissions from either party in respect of the size of the UK market for the goods at issue, I would imagine them to be significant with annual turnovers of millions of pounds per annum. The total sales figures provided cover a period of just over four years and represent a miniscule proportion of the market. This, in my view, falls staggeringly short of what I consider to be necessary to establish sufficient goodwill to maintain a claim of passing off. As noted in the case law cited above, the burden is on the applicant to prove goodwill. Based on the evidence filed, I am not satisfied that it has done so.

² Stacey v 2020 Communications [1991] FSR 49

33. Having failed to establish the existence of a protectable level of goodwill in its sign, there can be no misrepresentation under the present claim of passing off. The applicant's reliance upon the 5(4)(a) hereby ground fails.

CONCLUSION

34. The application fails in its entirety and the contested mark may remain registered for all of the goods concerned.

COSTS

35. The proprietor has been successful and is, therefore, entitled to a contribution towards its costs, based upon the scale published in Tribunal Practice Notice 2/2016. While I appreciate that the evidence submitted by the applicant was very short, the proprietor was still required to consider the same. Therefore, I consider it appropriate to provide a costs award in respect of considering evidence, albeit a reduced one. In the circumstances, I award the proprietor the sum of £800 as a contribution towards the costs of proceedings. The sum is calculated as follows:

Reviewing the invalidation application and preparing a counterstatement:	£200
Considering evidence:	£300
Preparing written submissions:	£300
Total:	£800

36. I therefore order ShenZhen 10Gtek Transceivers Co., Ltd. to pay Shenzhen Xingheng International Electronic Commerce Co., Ltd. the sum of £800. 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 15th day of November 2022

A COOPER, For the Registrar