

O-735-22

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO. 3669409

BY JIANG JIGANG

TO REGISTER THE TRADE MARK

THORPE SIGNS

AND AN OPPOSITION THERETO UNDER 427404

BY MICHAEL LINGWOOD

AND

IN THE MATTER OF TRADE MARK APPLICATION NO. 3674340

BY MICHAEL LINGWOOD

TO REGISTER THE TRADE MARK

THORPE SIGNS

AND AN OPPOSITION THERETO UNDER 429688

BY JIANG JIGANG

Background and pleadings

1. This decision deals with consolidated proceedings set out on the cover page of this decision.
2. On 16 July 2021, Jiang Jigang applied to register the trade mark “Thorpe Signs” for the following goods:

Class 16 Decals; Canvas prints; Paintings [pictures], framed or unframed; Printed art reproductions; Temporary tattoo transfers; Photo albums; Gift bags; Collages; Desk mats; Wall decals; Stickers; Notebooks; Removable self-stick notes; Christmas cards; Mounted posters.

3. On 28 July 2021, Michael Lingwood, applied to register the trade mark “Thorpe Signs” for equivalent goods in Class 16.
4. Jiang Jigang’s application was opposed by Michael Lingwood on 11 October 2021 on the grounds that the registration would be contrary to sections 5(4)(a) and 3(6) of the Trade Marks Act 1994 (“the Act”). The opposition is directed against all the goods in the application.
5. Under section 5(4)(a), the Mr Lingwood claims goodwill in the sign THORPE SIGNS. Mr Lingwood further claims that he first used the sign as early as April 2014 throughout the UK in relation to printed matter; instructional and teaching materials; information leaflets; stationary and office requisites; films and bags for wrapping and packing; envelopes and containers for packing; disposable paper products; prints; signs; signage; decals; canvas prints; paintings [pictures], framed or unframed; printed art reproductions; temporary tattoo transfers; photo albums; gift bags; collages; desk mats; wall decals; stickers; notebooks; removable self-stick notes; Christmas cards; mounted posters; appliques in the form of decals; 3D decals for use on any surface. Consequently, Mr Lingwood submits that he is entitled to prevent the use of the contested mark under the law of passing off.

6. Under section 3(6), Mr Lingwood claims that Jiang Jigang knew about Mr Lingwood's use of the earlier sign and applied to register the contested mark in order to block Mr Lingwood from trading under that sign. Consequently, Mr Lingwood claims that the application was made in bad faith and should be refused pursuant to section 3(6).
7. Jiang Jigang cross-opposed Mr Lingwood's application on 23 December 2021. The opposition is based upon section 5(2)(b) of the Act and directed against all the goods in the application. For its opposition, Jiang Jigang relies on the application referred at paragraph 2 of this decision.
8. Both parties filed counterstatement in the respective oppositions and denied each other's claims.
9. Michael Lingwood is represented by Birketts LLP and Jiang Jigang is represented by Mr Paweł Wowra. Only Mr Lingwood filed evidence and written submissions. I make this decision after a careful reading of all the papers filed by the parties.
10. Although the UK has left the European Union ("EU"), section 6(3)(a) of the European Union (Withdrawal) Act 2018 requires tribunals to apply EU-derived national law in accordance with EU law as it stood at the end of the transition period. The provisions of the Act relied upon in these proceedings are derived from an EU Directive. That is why this decision continues to refer to EU trade mark law.

Evidence

11. Mr Lingwood's evidence comes in the form of his witness statement dated 8 March 2022, together with 4 exhibits. I will return to Mr Lingwood's evidence later in the decision.

DECISION

12. As this is a cross-opposition, I will first deal with the "senior" opposition which is Mr Lingwood's opposition to Jiang Jigang's application.

Section 5(4)(a)

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

“5(4) A trade mark shall not be registered if, or to the extent that, its use in the United Kingdom is liable to be prevented –

a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade, or

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 ...”

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. There is no evidence that Jiang Jigang's mark was used in the UK prior to the date of application. That being the case, the matter must be assessed only as at the application date of that mark (16 July 2021).

Goodwill

17. The concept of goodwill has been described as "the benefit and advantages of the good name, reputation and connection of a business" and "the attractive force which brings in custom".¹

18. Mr Lingwood's evidence is that he sells printed matters such as vinyl stickers and labels online under the signs THORPE SIGNS and THORPESIGNS. Mr Lingwood is also the proprietor of the domain name thorpesigns.co.uk registered in 2014, and he claims to have used the email address mike@thorpesigns.co.uk since that day for trading. The products are sold mostly through ebay.co.uk and amazon.co.uk websites.² Mr Lingwood has been a member of eBay since 2007, and his business, identified under the sign Thorpe Signs, is rated on eBay as a "top-rated" seller.³ His custom printing labels and stickers have been listed on eBay since 2016.⁴ The eBay webpage which was last updated on 12 June 2021 shows the sale of 219 items of those custom printing labels which are individually priced at £13.45.⁵ Labels and stickers under the sign have also been sold through Amazon since July 2015.⁶ The price of the products sold on Amazon varied from £5.95 - £19.95.⁷

¹ House of Lords in *Inland Revenue Commissioners v Muller & Co's Margarine Ltd* [1901] AC 217

² Exhibit ML1.

³ Exhibit ML2.

⁴ Exhibit ML3.

⁵ *Ibid.*

⁶ Exhibit ML4.

⁷ *Ibid.*

According to the screenshots from eBay, Mr Lingwood has sold 55,000 products through their website. The sales shown of products sold on eBay until the relevant date are individually priced in the range of £2.20 to £18.45. In his witness statement, Mr Lingwood states that the “majority” of the sale through eBay predates the relevant date. As his witness statement is unchallenged, I accept his evidence about the extent of sales.

19. In *Smart Planet Technologies, Inc. v Rajinda Sharm* (RECUP),⁸ Mr Thomas Mitcheson QC, as the Appointed Person, reviewed the following authorities about the establishment of goodwill for the purposes of passing-off: *Starbucks (HK) Ltd v British Sky Broadcasting Group Plc*, *Reckitt & Colman Product v Borden* and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd*. After reviewing these authorities 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.”

20. In that case it was decided that a small business with a more-than-trivial goodwill can protect signs which are distinctive of that business.

21. In *Lumos Skincare Limited v Sweet Squared Limited and others*,⁹ the Court of Appeal in England and Wales held that the defendant had passed off its LUMOS nail care products as the claimant’s goods. The claimant had been selling LUMOS anti-ageing products for around 3 years prior to the relevant date in October 2010. The goods retailed at prices between £40 and £100 per bottle. The Claimant’s sales were small; around £2,000 per quarter from early 2008 rising to £10,000 per quarter in the period leading up to the relevant date. The vast majority of these sales were made to 37 trade outlets, including salons, clinics and a market. There was evidence of repeat purchases. Although the number of customers was “very

⁸ BL O/304/20

⁹ [2013] EWCA Civ 590

limited”, the claimant’s goodwill was found to be sufficient to entitle it to restrain the defendant’s use of LUMOS under the law of passing off.

22. Although Mr Lingwood has not provided the details of turnover figures nor the amount invested in promoting the sign, the sales relied upon in this case are clearly more than trivial. The trading activities appear to be longstanding, and the sale shown appears to be directed to the UK customers through websites with “.co.uk” top-level domain names. In the Form TM7, Mr Lingwood claims goodwill in a number of goods. However, in his witness statement, Mr Lingwood also claims use of the sign in relation to services, namely, printing and sale of printed matters.¹⁰ As the pleaded case relied only on goodwill in respect of goods, Mr Lingwood is not permitted to rely on goodwill in respect of services. The evidence demonstrates that Mr Lingwood’s business has protectable goodwill existed at the relevant date as a result of the trade in Thorpe Signs. The nature of this goodwill was in relation to a business selling labels, stickers and wall decals.

Misrepresentation and damage

23. *Halsbury’s Laws of England* Vol. 97A (2012 reissue) provides guidance with regard to establishing the likelihood of deception. In paragraph 309 it is noted (with footnotes omitted) that:

“To establish a likelihood of deception or confusion in an action for passing off where there has been no direct misrepresentation generally requires the presence of two factual elements:

(1) that a name, mark or other distinctive feature used by the plaintiff has acquired a reputation 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 feature which is the same or sufficiently

¹⁰ Witness statement, para 5.

similar that the defendant's goods or business are from the same source or are connected.

While it is helpful to think of these two factual elements as successive hurdles which the plaintiff must surmount, consideration of these two aspects cannot be completely separated from each other, as whether deception or confusion is likely is ultimately a single question of fact.

In arriving at the conclusion of fact as to whether deception or confusion is likely, the court 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 plaintiff and the defendant carry on business;
- (c) the similarity of the mark, name etc. used by the defendant to that of the plaintiff;
- (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 confusion or 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."

24. The Mr Lingwood's sign is identical to the contested mark.

25. The Mr Lingwood's labels, stickers and wall decals are identical to the applicant's decals, printed art reproductions, wall decals and stickers. The remaining goods in the application, namely, canvas prints, paintings [pictures], framed or unframed, temporary tattoo transfers, photo albums, collages; removable self-stick notes, mounted posters, gift bags, desk mats, notebooks and Christmas cards share channels of trade and users with Mr Lingwood's goods. The nature, intended purpose and method of use of those goods appear to be different from Mr Lingwood's goods. The conflicting goods are, in my view, similar to a degree that is likely to range between low and medium.
26. The relevant public of the respective goods consists of members of the general public. The goods are likely to be purchased from retail outlets or online equivalents further to advertisements (print or online) or signage on high streets, for example. The purchase is more likely to be visual, although I do not discount an aural element to the selection process. The price of the goods varies, for example, a wall sticker is likely to be less expensive when compared to wall murals. These factors suggest that the consumer is likely to pay a low to medium degree of attention during the purchase process.
27. In respect of the distinctive character of the earlier sign Mr Lingwood makes the following submissions:
- “The identifying brand name of THORPE SIGNS and THORPESIGNS is derived from my base location ‘THORPE’ (as in Thorpe Close, Norwich – my address which has remained unchanged throughout my long-standing use) plus an indication of what is being provided, ‘SIGNS’. The resultant composite mark, THORPE SIGNS (and the conjoined version THORPESIGNS) uniquely identifies my offerings from those of others operating in this market sector.”¹¹
28. As stated by Mr Lingwood, Thorpe is a geographical location. As far as I am aware, Thorpe has no geographical significance in relation to the business of selling labels, stickers and wall decals, for which Mr Lingwood has demonstrated

¹¹ Witness statement, para 4.

goodwill. The parties have also not advanced any submissions to the contrary. “Sign” gives information about something, for example, as evidence indicates, it could be in the form of a label or sticker indicating the speed limit of a road. The combination ‘Thorpe Signs’, in my view, is not allusive or suggestive of Mr Lingwood’s business. On that basis, I find that the Mr Lingwood’s sign has a medium degree of distinctive character.

29. The question of whether the use of the contested mark would amount to a misrepresentation depends on an overall assessment of all relevant factors. No one such factor automatically trumps the others. It is also necessary to keep in mind that passing-off does not require deception amongst all, or even a majority, of Mr Lingwood’s Thorpe Signs customers. It is sufficient if a substantial number are deceived.

30. The contested mark and the opponent’s sign are identical. Some of the goods are identical. Broadly speaking, the conflicting goods are printed matters. So, even where the goods are similar to a low degree, the consumers are likely to make an association between the fields of activities of the applicant and the goods in which the Mr Lingwood trade. Mr Lingwood has also demonstrated a protectable goodwill in the sign Thorpe Signs. Considering these factors, I find it likely that the use of the contested mark will confuse and deceive a substantial number of Mr Lingwood’s customers or potential customers if the contested mark is used in relation to identical or similar goods. The consumers are likely to think that the goods are sold by the same undertaking.

31. I must now go on to consider if the Mr Lingwood has suffered, or is likely to suffer, damage as a result of this misrepresentation. Lord Fraser in *Erven Warnink BV v J Townend & Sons (Hull) Ltd* [1980] RPC 31 HL, stated that the Mr Lingwood must show that “he has suffered, or is really likely to suffer, substantial damage to his property in the goodwill”.

32. In *Draper v Trist and Trisbestos Brake Linings Ltd* 56 RPC 429 Goddard L.J. stated:

“But in passing-off cases, the true basis of the action is that the passing-off by the defendant of his goods as the goods of the plaintiff injures the right of property in the plaintiff, that right of property being his right to the goodwill of his business. The law assumes, or presumes, that if the goodwill of a man’s business has been interfered with by the passing-off of goods, damage results therefrom. He need not wait to show that damage has resulted, he can bring his action as soon as he can prove passing-off; because it is one of the class of cases in which the law presumes that the Plaintiff has suffered damage. It is in fact, I think, in the same category in this respect as an action for libel. We know that for written defamation a plaintiff need prove no actual damage. He proves his defamation. So, with a trader; the law has always been particularly tender to the reputation and goodwill of traders. If a trader is slandered in the way of his business, an action lies without proof of damage.”

33. In my view, the level of confusion and deception will be sufficient to damage the Mr Lingwood’s goodwill. As the contested mark and the sign are identical, the consumers would assume that the goods sold by Jiang Jigang are the responsibility of Mr Lingwood. This would result in the diversion of sales. The use of the contested sign is also likely to result in dilution of goodwill in Thorpe Signs and cause damage to the goodwill by way of loss of brand control. It follows that the use of the contested mark in relation to the goods covered by its specification would amount to passing off.

34. The opposition succeeds under section 5(4)(a).

Section 3(6)

35. Section 3(6) of the Act states: “A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

36. There is no definition of “bad faith” in the legislation, rather the criteria for assessing “bad faith” have been set out in judgments of the Court of Justice of the European Union (CJEU) and UK Courts. 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:

“67. 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]".

37. It is necessary to ascertain what the applicant knew at the relevant date.¹² Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date.¹³

38. In its form TM7, Mr Lingwood states:

"The applicant applied knowing of the Mr Lingwood's earlier use under the subject mark and then used the change in the Amazon brand registry rules to have the Mr Lingwood's trading sites under their earlier "Thorpe Signs" mark pulled down (repeatedly) based on his pending trade mark application (previously, only possible if holding a TM registration) and wrote aggressively to the Mr Lingwood claiming his earlier UK and/or UK TMA filing date meant he was the earlier rights holder and that the Mr Lingwood must stop use of the subject mark, as his use infringed the applicant's registration. The applicant seeks to push Mr Lingwood out of the market, prevent him trading under his earlier mark, and benefit from his earlier goodwill/reputation in this sign."

39. While an application made with an intent to block another business' legitimate activities may amount to bad faith, an allegation of bad faith is a serious allegation which must be distinctly proved with cogent evidence. Mr Lingwood has made allegations of bad faith without any supporting evidence. Merely

¹² *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch)

¹³ *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] R.P.C. 9 (approved by the Court of Appeal in England and Wales: [2010] R.P.C. 16)

based on assumptions, I cannot determine that Jiang Jigang acted on bad faith. In the absence of evidence, I consider that Mr Lingwood has not established a *prima facie* case against Jiang Jigang.

40. The opposition based on section 3(6) fails.

41. Only one ground needs to succeed in its entirety for an opposition to succeed. As Mr Lingwood has been successful under its claim based on section 5(4)(a), he is successful in this opposition. Accordingly, Jiang Jigang's application may be refused.

Jiang Jigang's opposition to Mr Lingwood's application

42. Jiang Jigang's opposition is based on section 5(2)(b) of the Act. Section 5(2)(b) is a relative ground which means that in order for Jiang Jigang to succeed under this ground, Jiang Jigang must have an earlier right on which he can rely. Jiang Jigang relies on an application that Mr Lingwood has successfully opposed. This means that Jiang Jigang does not have an earlier right on which to base the opposition and so the opposition under section 5(2)(b) must fail.

Conclusion

43. Mr Lingwood's opposition against Jiang Jigang's application succeeds. Jiang Jigang's application is to be refused in its entirety.

44. Jiang Jigang's opposition against Mr Lingwood's application fails. Mr Lingwood's application may proceed to registration.

Costs

45. Mr Lingwood has been successful and is entitled to a contribution towards his costs based upon the scale published in Tribunal Practice Notice 2/2016. I award costs to Mr Lingwood on the following basis:

Filing a Notice of opposition, considering	£400
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Jiang Jigang's counterstatement, considering
Jiang Jigang's notice of opposition
and preparing the counterstatement

Filing evidence	£400
Filing submissions	£300
Official fee	£200
Total	£1,300

46.I, therefore, order Jiang Jigang to pay Michael Lingwood the sum of **£1,300**.
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 26th day of August 2022

Karol Thomas
For the Registrar
The Comptroller-General