

O/608/21

TRADE MARKS ACT 1994

IN THE MATTER OF APPLICATION NO. 3398621  
BY UNITED STRATEGY AB  
TO REGISTER THE FOLLOWING TRADE MARK:

oxygenetix

IN CLASS 3

AND IN THE MATTER OF OPPOSITION THERETO  
UNDER NO. OP000417480  
BY OXYGENETIX INSTITUTE INC.

## BACKGROUND AND PLEADINGS

1. On 12 May 2019, United Strategy AB (“the applicant”) applied to register the trade mark shown on the cover page of this decision in the UK. The application was published for opposition purposes on 24 May 2019 and registration is sought for the following goods:

**Class 3:** *Make up foundations; Make-up for the face; Shampoo; Skin care cosmetics; Skin care creams [cosmetic]; Skin cleansers [cosmetic]; Skin cleansing cream; Skin cleansing lotion; Skin creams; Skin foundation; Skin hydrators; Skin lotion; Skin make-up; Skin masks; Skin masks [cosmetics]; Skin moisturisers; Skin soap; Skin toners; Skin whitening creams; Skin whitening preparations.*

2. The application has a priority date of 24 January 2019.

3. On 27 August 2019, Oxygenetix Institute Inc. (“the opponent”) opposed the application based upon Sections 5(4)(a) and 3(6) of the Trade Marks Act 1994 (“the Act”).

4. Under section 5(4)(a), the opponent relies upon the sign OXYGENETIX and **oxygenetix** which it claims to have used throughout the UK since 1 April 2014 in respect of *non- medicated skin preparations; skin hydrators; skin moisturisers; skin creams; skin conditioners; skin emollients; cosmetics; cosmetic preparations; skincare cosmetics; skin make-up; foundation; skin enhancers; skin moisturisers used as cosmetics; cosmetic skin recovery creams; sun protection products; sun screen preparations; medicated skin care preparations; pharmaceutical preparations for skin care; medicated skin creams; medicinal creams for the protection of the skin; medicated skin creams, lotions and tonics for the treatment of scars and other marks.*

5. According to the opponent:

- The opponent is a US cosmetic company specialising in breathable make-up and skincare products for compromised skin. The OXYGENETIX products include a unique and patented formula which allows the flow of oxygen to the skin and are made with aloe vera rather than water and oil-based, which is unique in the make-up market. The OXYGENETIX foundation product was originally developed to heal and conceal skin after cosmetic surgery;
- The OXYGENETIX products have been endorsed by celebrities and have been the official make-up of the Oscars, Grammys, Golden Globes and other award ceremonies for many years;
- The OXYGENETIX signs have been used in the USA since 2008 and in the UK since 2014. Sales in the UK take place through the opponent's distributor Medical Aesthetics as well as through carefully selected online stockists, through the opponent's own website and via Amazon;
- The OXYGENETIX brand has been widely praised by various beauty and lifestyle magazines, including Vogue, Allure and Hello and reputed make-up artists. OXYGENETIX products are also widely recognised by aesthetic clinics in London and beyond;
- The opponent has acquired considerable goodwill under the OXYGENETIX signs in the UK. Use of the applicant's mark would constitute a misrepresentation that the applicant's goods are indeed the opponent's goods or that they are associated with (or authorised by) the opponent. Such use would cause damage to the opponent and constitute passing off.

6. The opponent made a late amendment of its Section 3(6) claim which was initially predicated on the basis that at the time the contested application was filed the applicant had no intention of using the mark and that the purpose of the application was to obstruct the opponent's legitimate business in the mark OXYGENETIX and to put pressure on the opponent to pay money to the applicant. The following facts were relied upon for the purpose of the originally pleaded case:

- Although the applicant has also registered the mark OXYGENETIX in Sweden (registration no. 546461) and at the EUIPO (EUTM no. 17964825), it has no actual business in the goods to which the contested mark relates;

- the applicant is a Swedish company that “*seems to be run out of an apartment*”. An online search conducted by the opponent revealed that there was no website for the applicant’s company and according to LinkedIn the applicant specialises in “*facilitating business projects and transactions between Swedish and Scandinavian technology based companies with leading high-growth markets*” and advisory services;
- Christer Wikner is the person behind the applicant’s company and his name appears in connection with the Swedish registration. His LinkedIn profile reveals that he has a background in healthcare and pharmaceuticals and that he has worked as a Board Director at Bringwell AB, a company making skincare products, including aloe vera formulations, which suggests that he was aware of the opponent’s OXYGENETIX products when he filed the application for the contested mark;
- The contested mark is identical to the sign used by the opponent;
- On 13 June 2019 the opponent’s US attorney received a letter from the applicant’s attorney in which it was claimed that the opponent’s use of the mark OXYGENETIX in the EU amounted to infringement of the applicant’s EUTM no. 17964825 but suggested that the applicant was willing to sell its EUTM to the opponent;
- The EUTM registration, on which the priority claim is based, was filed on 4 October 2018, however the records show a priority date of 24 January 2019 which is the date the EUTM was registered. The right of priority for the applicant’s mark is misleading and has not been validly claimed because the applicant’s mark was filed on 12 May 2019, which is outside the priority period of 6 months from when the EUTM was filed.

7. The applicant filed a counterstatement denying the grounds of opposition and stating that:

- when the applicant registered the EUTM it negotiated a co-existence agreement with a Polish company who owned the mark OXYGENETICS – this company is not party to these proceedings. According to the applicant, the

- opponent was never mentioned during these negotiations *“simply because of their lack of presence and apparent non-interest in Europe including the UK”*;
- the applicant is the owner of the EUTM and of the contested pending application for the mark OXYGENETIX and *“now has to finish the development work to have a product on the market within a five-year period”*;
  - the applicant contacted the opponent several times in order to discuss the situation and find out whether the opponent was developing an interest in the EU and UK market and would be open to resolve the issue *“applying common sense and common business practice”*. According to the applicant, its attempts to contact the opponent were made in good faith but the opponent has never responded to any invitation to discuss the matter, moving straight to legal action;
  - The opponent has no direct sale activity in the UK or the EU, does not mention UK or international sales on its website and owns no registered trade mark rights in the UK or in the EU;
  - The application was not made in bad faith and the applicant has never been engaged in bad faith activities and has a long history of serious and successful business ventures;
  - The applicant is active in the aesthetics and skin care market through the ownership of Sofia Wikner Estetik (“SWE”). As it turned out, Sofia Wikner is Christer Wikner’s wife. SWE is a leading skin care beauty clinic based in Sweden and it is a licensed reseller of skin care products from American based companies;
  - Christer Wikner is the owner and managing director of the applicant’s company and holds a PhD in Medical Biochemistry from a Swedish university where he conducted a research on enzymes involving oxidation mechanisms in 1997;
  - The applicant has *“over the latest three years invested in building an own product strategy together with SWE under the name oxygenetix and has step by step thoroughly gone through all formal registration procedures both in Sweden and with EUIPO in order to secure freedom to operate as well as brand protection within the EU and the UK”*;
  - After the applicant contacted the opponent on 13 June 2019, the opponent filed two trade mark applications, one in the UK and one at the EUIPO, on 26 June

2019. The opponent did not tell the applicant it intended to file these applications notwithstanding the opponent knew of the applicant's Swedish and EUTM registrations;

- The name oxygenetix has been present in Mr Wikner's mind for decades bearing in mind that he conducted biochemical research involving oxidation processes in the mid 1990s;
- Since the applicant is the registered proprietor of trade mark rights in the name oxigenetix, the dispute should be about trade mark infringement, not passing off;
- The opponent had plenty of opportunity to protect its intellectual property rights *"as it would be expected by a professionally managed company with strategies for new markets"*;
- The applicant has no interest in mimicking, building on or reusing any of the work or assets that the opponent has started to create. Rather, the applicant *"views the presence of the opponent's products and potential awareness among some consumers as something negative for the applicant's strategy that is completely different from that of the opponent"*;
- The opponent does not have *"anywhere near"* a top position or a well-known product on the market. *"If the applicant was interested in basing its business on any doubtful passing off strategy, it would have been more natural to create a name that sounded similar to one of the industry leaders like L'Oréal, Estee Lauder or Shiseido"*;
- Due to the opponent's limited presence and market share, the law of passing off is not applicable. The UK market for beauty and personal care is calculated at £13.1 billion for 2019. Whilst the applicant does not know exactly what sales revenue the opponent has in the UK, it will argue that it is highly unlikely that the opponent has more than 0,01% of the UK market;
- The applicant has no intention of launching any cosmetic foundation product which is the only product the opponent has – the market segment is not the same. The applicant prefers natural ingredients contrary to the opponent's products which use artificial ingredients.

8. On 21 January 2021, after completion of the evidence rounds and less than a month in advance of the date set for the substantive hearing,<sup>1</sup> the opponent made a formal application to amend its Section 3(6) statement of grounds and to file late evidence.

9. The amended pleading – which was accompanied by evidence - added that OXYGENETIX products had been made available on the market both in Sweden and the UK prior to 13 March 2018 and embodied a further and important development of the case, namely that on 13 March 2018 Mr Wikner and his wife sent an email to the opponent in which they stated:

*“We are interested in learning more about potential opportunities for agency/distribution of oxygenetix products in Sweden and possibly Denmark. We are located in Uppsala, Sweden, just north of Stockholm and 20 minutes from Stockholm Arlanda International Airport.*

*We have discussed this within a group of people/colleagues active as practitioners and entrepreneurs in the esthetics (sic) as well as digital industries such as social media management and healthcare.*

*Our idea would be to sell oxygenetix mainly through web based sales but also through own 3<sup>rd</sup> party salon/clinc sales.*

*Do you have any interest in this region and would it be interesting for you to discuss this?”*

10. The proposed amended pleading also added the allegation that the applicant applied for the UK mark in bad faith, knowing or having reason to believe that the mark belonged to the opponent and that the opponent would wish to register the mark itself.

11. On 22 January 2021, Mr Wikner sent an email to the Trade Mark Registry asking whether that was the correct procedure to object or comment on the evidence filed by the opponent. In that email, Mr Wikner raised a number of points, in particular he was

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<sup>1</sup> This was initially scheduled for 19 February 2021

critical of the opponent who had introduced at the last-minute evidence which was available previously. However, the opponent had clearly explained, both in its request and in evidence, that the additional evidence had only recently come to its attention. Mr Wikner also attempted to run the argument that the evidence should not be allowed because the communication was without prejudice; suffice to say that the email which was sent to the opponent on 13 March 2018 was not part of any settlement discussion simply because the parties were not involved in any dispute at that point and, as a result, it is not without prejudice.

12. On 29 January 2021, the Trade Mark Registry issued its preliminary view that the opponent's request to amend the Section 3(6) pleading and to file late evidence should be granted and gave the applicant until 12 February 2021 to request a hearing if it disagreed. The letter also stated that the applicant had until 1 March 2021 to file additional evidence. Arrangements were also made for the substantive hearing to be vacated.

13. The Registry's preliminary view was not challenged by the applicant and so I'll say no more about that. However, the applicant took the opportunity to file additional evidence.

14. The opponent is represented by CSY London. The applicant is not professionally represented. Both parties filed evidence and submissions. I do not propose to summarise the evidence here, nor will I summarise the parties' submissions. However, I have taken them all into consideration and will refer to them below where necessary.

15. A hearing took place before me on 28 May 2021, by video conference. The opponent was represented by Ms Amanda Michaels, of Counsel, instructed by CSY London. The applicant was not legally presented but Mr and Mrs Wikner appeared on its behalf. Both parties filed skeleton arguments in advance of the hearing.

## **EVIDENCE AND SUBMISSIONS**

### *The opponent's evidence*



16. The opponent's evidence in chief consists of two witness statements by Brandon Powell, who is the Director of Legal and Compliance at the opponent's company since 2014. The first witness statement is dated 10 February 2020 and is accompanied by 37 exhibits (BP1- BP37). The second of Mr Powell's statements was filed in reply to the applicant's evidence, it is dated 1 December 2020 and is accompanied by 14 exhibits (BP(2)1-BP(2)14).

17. The opponent's evidence in reply also includes eight witness statements given by Julia Kendrick (with three exhibits), Dr Terry Loong (with one exhibit), Dr Rabia Malik, Dr. Sophie Shotter, Benji Dhillon, Pamela Marshall, Reneé Lapino (with one exhibit) and Anna Tholén (with one exhibit). Ms Kendrick is the founder of a public relations company that has worked for the opponent. The other witnesses work in the aesthetic medicine sector and give evidence of their knowledge of the OXYGENETIX brand and products.

#### *The applicant's evidence in chief*

18. The applicant's evidence in chief consists of eight witness statements. The first witness statement is given by Christer Wikner, who says he is the owner of the applicant's company. Mr Wikner's statement is dated 31 August 2020 and is accompanied by 11 exhibits (USAB1- USAB11). The second witness statement is given by Sofia Wikner, who, as I have said, is Christer Wikner's wife and says is the founder, together with the applicant's company, of SWE. Mrs Wikner's statement is also dated 31 August 2020 and is accompanied by two exhibits (SWE1- SWE2). The applicant's evidence also includes four witness statements given by J. Jonsson, J. Martensson, C. Sahlgren, Theresia Dibinger and Helena Lejon, most of which is opinion evidence about Mr and Mrs Wikner being professional and hardworking entrepreneurs and not having been involved in anything unlawful or unethical.

#### *The opponent's late evidence*

19. The opponent's late evidence consists of a witness statement by Kort Pearson who is a co-founder of the opponent and has been its Chief Executive Officer (CEO) since the company was established. Mr Pearson's statement is dated 19 January 2021

and is accompanied by five exhibits (KP1-KP5). As it will be recalled, Mr Pearson's statement introduces new evidence aimed at discrediting Mr and Mrs Wikner's averments about the brand OXYGENETIX being created independently and the contested mark being filed in good faith.

*The applicant's additional evidence filed in reply to the opponent's late evidence*

20. In response to Mr Pearson's evidence, the applicant filed a second and a third witness statement by Christer Wikner dated 1 March and 17 March 2021 respectively, with ten and eight exhibits respectively (USAB12-USAB21 and USAB22-USAB29). The applicant also filed a witness statement by Linda Fixelius who is a Swedish hairdresser and gives evidence about a potential collaboration with Mr and Mr Wikner, and a witness statement by Barry Franks who provides a translation of written submissions filed by the applicant in relation to an invalidity action brought by the opponent against the applicant's Swedish trade mark registration.

**Section 5(4)(a)**

21. 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.”

22. 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.”

23. 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).”

24. Halsbury’s Laws of England Vol. 97A (2012 reissue) provides further 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 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."

## The relevant date

25. In *Advanced Perimeter Systems Limited v Multisys Computers Limited*, BL O-410-11, Mr Daniel Alexander QC, 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.’ ”

26. The applicant has filed no evidence of use. Consequently, I need only consider the position at the *prima facie* relevant date. That should be the priority date of 24 January 2019. However, as argued by the opponent, the right of priority for the applicant's mark has not been validly claimed. This is because the right of priority is triggered by the filing date of an earlier trade mark application and can only be claimed within a period of six months from that filing date. In this case, the examiner accepted the priority which Mr Wikner had claimed and entered 24 January 2019 as the priority date when the mark was published. However, since the filing date of the EUTM (no. 017964825) which was used in the priority claim is 4 October 2018 (the date of 24 January 2019 being the date the EUTM was actually registered), when the applicant filed the contested mark on 12 May 2019 it was not entitled to claim priority because it was outside the priority period of 6 months from when the EUTM was filed. Mr Wikner defended the priority date for reasons which I do not understand stating<sup>2</sup> that he “felt

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<sup>2</sup> Page 8 of counterstatement

*it could have been misleading if the application date had been used when there already was an EU registration*". Regardless of the motive for claiming the wrong priority date, I agree with the opponent that the applicant is not entitled to the priority date claimed.

27. I also asked myself whether the priority date of an application can be challenged in opposition proceedings. Mr Wikner did not argue that I am not entitled to call into question the validity of the priority claimed, or the information entered by the examiner. A similar issue was considered in Case T-186/12, *Copernicus-Trademarks Ltd v OHIM*. The General Court stated:

“54 It follows that the case-law mentioned in paragraph 48 above, according to which the validity of a Community trade mark cannot be challenged in the context of opposition proceedings, cannot be transposed to the dispute as to whether a priority claim for such a mark is well founded.

55 Consequently, contrary to what the applicant submits, the Board of Appeal did not, in the present case, err in examining whether the conditions for the priority claim laid down in Articles 29 and 30 of Regulation No 207/2009, in Rule 6 of Regulation No 2868/95 and in Articles 1 and 2 of Decision No EX-05-5 were satisfied.

56 It follows that the fourth plea in law must be rejected in so far as the applicant alleges that the Board of Appeal infringed Articles 41 and 42 of Regulation No 207/2009 by examining whether the conditions for the priority claim had been satisfied. The head of claim raised by the applicant as part of the first plea in law alleging that, in the context of opposition proceedings, the Board of Appeal has no right to call into question a priority date entered in the register (see paragraph 43 above), must also be rejected.

57 To the extent to which, by certain arguments put forward in the context of the fourth plea in law, the applicant again disputes the fact that the question as to whether the priority claim was well founded formed part of the subject-

matter of the dispute before the Board of Appeal, those arguments must be rejected for the reasons set out in the examination of the first plea in law.”

28. I am therefore satisfied that there is nothing to prevent me assessing the validity of the priority date claimed for the purpose of establishing the relevant date for the opponent’s Section 5(4)(a) claim. Having established that the priority date is wrong, the only relevant date is the filing date of the contested mark, namely 12 May 2019. This is therefore the only date I will take into account.

### **Goodwill**

29. The House of Lords in *Inland Revenue Commissioners v Muller & Co’s Margarine Ltd* [1901] AC 217 (HOL) provided the following guidance regarding goodwill:

“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.”

30. 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 off 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.”

31. 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.”

*The opponent's case under Section 5(4)(a)*

32. The opponent's position, as set out in Ms Michaels' skeleton argument, is as follows:

- The opponent has used the mark OXYGENETIX in relation to a range of foundations and facial moisturisers, which belong to the category of so-called “cosmeceuticals”;



- Although the opponent is not a large corporation, its flagship OXYGENETIX foundation has attracted significant publicity and exposure as a niche cosmetic product;
- The turnover figures are sufficient to support the conclusion that the opponent had goodwill in the mark OXYGENETIX in the UK prior to the relevant date. Further, the opponent's goodwill at the relevant date was significant by virtue of the significant use of the mark between 2014 and 2019 and the wider publicity the mark has received in the general press;
- The opponent's products are recommended and sold through dermatologists or aestheticians but are also sold more widely alongside traditional beauty products, so the opponent had goodwill extending to the general public.

*The opponent's evidence which relates to the passing off claim*

33. The factual background of the case is that the opponent is a US company founded in 2008 which specialises in breathable make-up and skincare. The opponent developed a unique and patented formula for a foundation which promotes the flow of oxygen into the skin; the foundation, called "OXYGENETIX", was originally developed to heal and conceal skin after cosmetic surgery and became the opponent's flagship product. The opponent also sells a small range of additional OXYGENETIX cosmetic products, including an acne control foundation and a moisturizer.<sup>3</sup>

34. The opponent originally began selling its OXYGENETIX cosmetic products in the UK in 2011. At that point the orders were small and intermittent, and the opponent has not supplied any information to show the commercial significance of its use of the sign OXYGENETIX during that period. The product was officially launched in the UK in April 2014<sup>4</sup> when Medical Aesthetic Ltd took over as a UK distributor and the sales grew to around US\$250,000 in 2019 (approximately £193,600). The wholesale turnover for the period 2014-2017 was over US\$50,000 in 2014, over US\$100,000 in 2015 and 2016 and nearly US\$80,000 in 2017 with total sales amounting to US\$487,665.11 (approximately £377,000).<sup>5</sup> These figures are not really a point of dispute at all: the

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<sup>3</sup> Brandon Powell's first witness statement paragraph 1.2-1.4

<sup>4</sup> Brandon Powell's first witness statement paragraph 4.1 and BP3 pages 1 and 7

<sup>5</sup> Brandon Powell's first witness statement paragraph 4.1 and exhibit BP2 (exhibit BP2 is nearly illegible)

applicant only contended that the opponent's market share in the UK is so small that it cannot sustain a claim for passing off (this is a point I shall return to).

35. The opponent also provided five sample invoices<sup>6</sup> for the supply of products described as "foundation", "acne control" and "moisturizer" by the opponent to Medical Aesthetics Supplies Ltd; such invoices are dated 29.10.2014, 14.01.2015, 10.02.2016, 26.07.2018 and 9.10.2018 and their amounts are as follows: US\$22,129.20, US\$12,995.60, US\$17,206.80, US\$24,239.40 and US\$35,058.80. Mr Powell also exhibited copies of webpages from the website operated by Medical Aesthetics Supplies Ltd at [www.magroup.co.uk](http://www.magroup.co.uk)<sup>7</sup> as they appeared on various dates between 2014 and 2018; all of the webpages list OXYGENETIX as one of the brands sold and display OXYGENETIX foundation products. In addition, evidence that the opponent's OXYGENETIX foundation goods were available prior to the relevant date on UK-based authorised stockists' and third-party websites<sup>8</sup> - most of which appear to be aesthetic clinics – has been provided. These include, *inter alia*, [www.medifine.co.uk](http://www.medifine.co.uk) (November 2015), [www.parfaire.co.uk](http://www.parfaire.co.uk) (March 2016), [www.myfairpractice.co.uk](http://www.myfairpractice.co.uk) (2017), [www.cosmedic-clinic.co.uk](http://www.cosmedic-clinic.co.uk) (2018) and [www.facethefuture.co.uk](http://www.facethefuture.co.uk) (April 2019). There is also evidence from six aesthetic doctors<sup>9</sup> confirming that the opponent's OXYGENETIX foundation was used professionally in their clinics or recommended and sold to their customers in the UK between 2015 and 2019.

36. Although Mr Powell was unable to confirm the opponent's advertising spend on a year by year basis, and the figures given for January and February 2017 are relatively small, (corresponding to US\$5,000 and US\$10,000 respectively, split on a 50/50 basis between PR firms in London and New York)<sup>10</sup>, a great deal of evidence has been submitted to prove that the opponent's OXYGENETIX foundation products received significant press coverage in the UK prior to the relevant date. In this connection, Ms Michaels specifically referenced the evidence contained within BP17 which runs to hundreds of pages. It suffices to say that that evidence corroborates the opponent's

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<sup>6</sup> Brandon Powell's second witness statement and exhibit BP(2)1

<sup>7</sup> BP6 and BP2(1)

<sup>8</sup> BP9

<sup>9</sup> Witness statements of Dr Terry Loong, Dr Rabia Malik, Dr. Sophie Shotter, Benji Dhillon, Pamela Marshall, Reneé Lapino

<sup>10</sup> Brandon Powell's first witness statement paragraph 4.8

claim that OXYGENETIX foundation products were already present on the UK market in 2015 and points overwhelmingly to the conclusion that OXYGENETIX foundation products received considerable press coverage in numerous publications circulating within the UK between 2015 and 2019, including the appearance in well-known publications such as Daily Mail, Sunday Mirror, Vogue, Hello!, OK! Magazine, Vanity Fair, Grazia, Glamour, Marie Clare, Cosmopolitan and many others. Examples are also provided of blogs, articles, reviews and posts published between 2014 and 2019 on UK-specific websites and social media pages, referring to, or about, the opponent's OXYGENETIX foundation, including instances where the product was recommended by aesthetic doctors, bloggers and beauty journalists.<sup>11</sup> Evidence has also been filed to show that OXYGENETIX products were promoted at a UK trade show in 2014<sup>12</sup> and that social media platforms such as Facebook and Instagram are used by the opponent to promote its OXYGENETIX products, although it is not clear what proportion of the opponent's 176k Facebook followers and 24.4k Instagram followers is from the UK.

37. Details of a number of UK beauty and medical aesthetic awards won or sponsored by OXIGENETIX between 2014 and 2018 are also provided.<sup>13</sup> These include OXIGENETIX foundation being voted as one of the best beauty products by UK beauty magazines such as "Women's Health: Future 50 Beauty Awards 2015", "Vogue Beauty: The Best New Beauty of 2014" and "Harpers Bazaar: Beauty Best of the Best 2015". OXYGENETIX foundation also won the best cosmetic surgery product award at MyFaceMyBody Awards 2014 (held in London) which, I note, is said to be the *"only beauty award to give consumers a voice on who their favourite brands, products and services are"*.

38. I was also referred to other evidence which shows OXYGENETIX foundation products being endorsed by celebrities, including a video posted on YouTube<sup>14</sup> in which the American personality Kourtney Kardashian promotes the opponent's OXYGENETIX foundation and which, Mr Powell stated, had 11 million views. Of

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<sup>11</sup> BP18

<sup>12</sup> BP(2)2-3

<sup>13</sup> Brandon Powell's first witness statement paragraph 4.13 and BP21-23 and second witness statement paragraph 2.4 and BP(2)4-6

<sup>14</sup> BP11 and BP(2)(4)-(6)

course, I do not rely too much on that specific piece on evidence because it is not clear what proportion of the said views was from the UK. However, the evidence certainly confirms that the opponent's OXYGENETIX foundation products have been endorsed by a number of celebrities, including Margot Robbie, Elle Macpherson and Ellie Goulding<sup>15</sup> and have been used by top make-up artists at prestigious shows and ceremonies, including London Fashion Week<sup>16</sup>, the Oscars, and various film/tv productions.<sup>17</sup> There is also specific evidence<sup>18</sup> in the form of online and printed articles identifying that the opponent's OXYGENETIX products were included in the "goodies bag" for Oscar nominees who did not win the awards in 2017 and that OXYGENETIX was the foundation of choice of the make-up artist of Gal Gadot who portrayed Wonder Woman in the film Batman v Superman.<sup>19</sup>

*The parties' respective positions on goodwill*

39. The opponent asserts that in consequence of its trading, marketing and publicity OXYGENETIX products are known in the UK, both in the medical aesthetic and beauty field and among members of the public and that the opponent has acquired goodwill in the UK from the use of the OXYGENETIX name.

40. The applicant does not dispute the opponent's turnover figures or the evidence showing that the opponent's products have received significant coverage in the media after their UK launch.

41. The main criticism advanced by the applicant is that the opponent's market share in the UK is too small to sustain an action for passing off. In this connection, the applicant relies on evidence showing that OXYGENETIX was not ranked in any position according to three market reports published by Gartner and Statista in 2018 and 2019.<sup>20</sup> Two Gartner reports are reports on the online presence of beauty brands and retailers and rank them according to their "digital IQ", their share of Amazon's

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<sup>15</sup> BP12

<sup>16</sup> BP16

<sup>17</sup> BP14

<sup>18</sup> BP13

<sup>19</sup> BP15

<sup>20</sup> Witness statement of Christer Wikner paragraph 4.1 to 4.4 and USAB6-9

appearance in Google.co.uk search results and their share of posts and interactions on Instagram. I derive no assistance from these reports. The value of the goodwill tied to a particular brand is not measured by its online presence. Goodwill arises as a result of trading activities and involves the presence of customers in the UK for the relevant products. The fact that the opponent is not listed in the Gartner reports (which say nothing about sales volume and trade) does not mean that the opponent had not built up sufficient goodwill in the brand OXYGENETIX in UK at the relevant date. Further, the opponent is free to choose how best to advertise its brand by deciding, for example, not to focus on digital advertising or not to use Amazon or Instagram as its preferred platforms to promote its products. Although the Statista report contains some information about the market value of the cosmetic sector as a whole (which was estimated as being around £9 billion in 2017 and 2018), as Ms Michaels pointed out at the hearing, it is not clear what goods the report refers to, for example it is said that the market value of skincare products was £2.2 billion and that the fragrances market was worth around £1.8 billion. It is true that the report also provides a list of 46 “*brands of make-up foundation, face powder and tinted moisturizer ranked by the number of users in Great Britain in 2018*”, and that the opponent’s OXYGENETIX foundation is not one of the brands ranked, however, Ms Michaels made a fair point when she noted that the list includes an “*others*” section (which accounts for about 3.3 million users) and that there is nothing to suggest that the opponent could not be included in that category.

42. Accordingly, I agree with Ms Michaels that the reports are not conclusive.

43. Mr Wikner also provides his own calculation<sup>21</sup> of the opponent’s market share. He states that the calculation is as follows: -

1. **Recorded sales of the opponent’s products in the UK-** Mr Wikner notes that the opponent did not provide sales figures for 2018 and that there was a 20% decrease in sales between 2016 and 2017 when the sales went down from US\$100,000 to US\$80,000. However, he states that for the purpose of the calculation and “*fair conservatism in the approach we will assume that [the*

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<sup>21</sup> USAB9

*opponent] managed to turn around the negative trend and increase sales by 50% between 2017 and 2018 and that the sales revenue for 2018 was at US\$120,000 (GBP 95,000)”*

2. **Market size of the UK cosmetic and personal care markets** – Using data from the Gartner and the Statista reports (which state that the UK cosmetic market was estimated at £10.2 billion and £9.8 billion in 2017) Mr Wikner calculates an average of £9.94 billion. He also refers to the personal care markets being estimated at £33 billion annually (according to the Statista report) although he does not include this data in his calculation.
3. **How Mr Wikner calculates the opponent’s market share** – GBP 95,000 (the opponent’s estimated sales for 2018) / GBP 9,940,000,000 (the estimated market size of the cosmetic sector in the UK) = 0,0000096 corresponding to 0,0001% or one millionth of the market.

44. I find that this calculation clearly does not take into account the relevant market for the opponent’s products. Cosmetics is a very broad category that includes, at least, skincare, make-up, perfumery and body care products; since the reports refer essentially to cosmetic brands sold on the High Street, the market the reports look at must also be that of cosmetics normally sold on the High Street - which is huge. However, the opponent’s OXYGENETIX foundation product is not a conventional foundation sold on the High Street; instead, it is a niche “cosmeceutical”<sup>22</sup> product (i.e. a cosmetic product with a higher level of bioactive ingredients marketed as having some medical benefits) sold in beauty clinics which was originally designed for use after cosmetic surgery – although the evidence shows that it is also marketed as a breathable foundation which can be used as an alternative to a regular foundation. Obviously, this means that the size of the market targeted by the opponent’s products is much smaller than that calculated by Mr Wikner.

45. In any event, the opponent must show goodwill that is more than trivial and there is no rule which establishes that only big brands can bring an action for passing off. In *Hart v Relentless Records* [2002] EWHC 1984 (Ch), Jacob J. (as he then was) stated that:

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<sup>22</sup> Witness statement of Julia Kendrink paragraph 4

“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.”

46. In *Smart Planet Technologies, Inc. v Rajinda Sharm* [BL O/304/20], 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* [2015] UKSC 31, paragraph 52, *Reckitt & Colman Product v Borden* [1990] RPC 341, HL and *Erven Warnink B.V. v. J. Townend & Sons (Hull) Ltd* [1980] R.P.C. 31. 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.”

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

“The evidence before the Hearing Officer to support a finding of goodwill for Party A prior to 28 January 2018 amounted to 10 invoices issued by Cup Print in Ireland to two customers in the UK. They were exhibited to Mr Lorenzi’s witness statement as exhibit WL-10. The customers were Broderick Group Limited and Vaio Pak.

37. The invoices to Broderick Group Limited dated prior to 28 January 2018 totalled €939 and those to Vaio Pak €2291 for something approaching 40,000 paper cups in total. The invoices referred to the size of “reCUP” ordered in each case. Mr Lorenzi explained that Broderick Group Limited supply coffee vending machines in the UK. Some of the invoices suggested that the cups were further branded for onward customers e.g. Luca’s Kitchen and Bakery.

38. Mr Rousseau urged me not to dismiss the sales figures as low just because the product was cheap. I have not done so, but I must also bear in mind the size of the market as a whole and the likely impact upon it of selling 40,000 cups. Mr Lorenzi explained elsewhere in his statement that the UK market was some 2.5 billion paper coffee cups per year. That indicates what a tiny proportion of the market the reCUP had achieved by the relevant date.

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

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



what I consider would have been necessary to establish sufficient goodwill to maintain a claim of passing off.

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

48. However, a small business which has more than a trivial 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. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, 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 since 2007. The goods retailed at prices between £40 and £100 per bottle. The Claimant's sales were small, of the order of £2,000 per quarter from early 2008 to September 2009, rising to £10,000 per quarter by September 2010. The vast majority of these sales were to the trade, including salons, clinics and a market. As at the relevant date (October 2010) the Claimant had sold to 37 outlets and by that date it was still selling to 25 outlets. There was evidence of repeat purchases. Although the number of customers was small, or, as the judge at first instance put it, "*very limited*", the claimant's goodwill was found to be sufficient to entitle it to restrain the defendant's trade under LUMOS.<sup>23</sup>

#### *My findings on goodwill*

49. In this case, as it will be recalled, the opponent sold a total of approximately US\$487,665.11 worth of OXYGENETIX products in the UK between 2014 and 2017. In 2019 sales increased to US\$250,000. Although no sale figures have been provided for 2018, there are at least two invoices dated 26.07.2018 and 9.10.2018 which show

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<sup>23</sup> See also: *Stannard v Reay* [1967] FSR 140 (HC); *Teleworks v Telework Group* [2002] RPC 27 (HC); (COA)

sales for a total of US\$24,239.40 and US\$35,058.80 respectively, so this brings the total value of the UK sales of OXYGENETIX products up to (at least) US\$547,017.31 between 2014 and 2018 (which converted to GBP corresponds to about £444,526). Further, although there is no evidence as to what proportion of the sales generated in 2019 was prior to the relevant date, the fact that the opponent's annual sales went up in 2019 demonstrates that the opponent maintained a healthy trade up to (and after) the relevant date. The evidence on the invoices also shows that OXYGENETIX products were sold at the price of about US\$20 per unit which, based on a rough calculation, amounts to a total of over 27,000 units sold. Although that might be a relatively low number in total in the context of the cosmetic market as a whole – which I have said is huge - it is a reasonable number of sales in the context of what is a niche product and in the context of the overall sales achieved by the opponent. In this connection, even though no precise figures were given for the size of the opponent's industry, the evidence indicates that the opponent only target a small part of the total make-up market, namely that of post-surgical, anti-acne and breathable foundation and that its products are sold through aesthetic clinics and specialist online retailers. Finally, I have also considered that the opponent has traded continuously for 6 years and that its OXYGENETIX products had received substantial media coverage in the UK and have been endorsed by celebrities and make-up artists.

50. Taking all of the above into account, I find that the opponent had a moderate goodwill in the sign OXYGENETIX in relation to “breathable foundation” products as at 12 May 2019, and that such goodwill related to a particular niche within the make-up and skincare market. The goodwill extends to both professionals in the medical aesthetic and beauty field and members of the public who used the products.

## **MISREPRESENTATION AND DAMAGE**

51. 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.”

52. In *Lumos Skincare Limited v Sweet Squared Limited and others* [2013] EWCA Civ 590, Lord Justice Lloyd commented on the paragraph above as follows:

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

53. Accordingly, once it has been established that the party relying on the existence of an earlier right under section 5(4)(a) had sufficient goodwill at the relevant date to found a passing-off claim, the likelihood that only a relatively small number of persons would be likely to be deceived does not mean that the case must fail. There will be a misrepresentation if a substantial number of customers, or potential customers, of the claimant's actual business would be likely to be deceived.

54. The contested specification is as follows:

*Make up foundations; Make-up for the face; Shampoo; Skin care cosmetics; Skin care creams [cosmetic]; Skin cleansers [cosmetic]; Skin cleansing cream; Skin cleansing lotion; Skin creams; Skin foundation; Skin hydrators; Skin lotion; Skin make-up; Skin masks; Skin masks [cosmetics]; Skin moisturisers; Skin soap; Skin toners; Skin whitening creams; Skin whitening preparations.*

55. Ms Michaels briefly commented at the hearing that since the marks are identical and the goods are either identical or highly similar, there will inevitably be misrepresentation. The only comment made by the applicant as regards the issue of misrepresentation is that it has no plan to launch any cosmetic foundation product.

#### Similarity of the marks

56. The respective marks are identical.

#### The contested goods as opposed to the goods in relation to which the opponent has goodwill

57. I have already described the opponent's products as "breathable foundation". I agree with the opponent that it is noteworthy that even though the applicant says that it does not intend to use the contested mark in relation to foundation<sup>24</sup>, the first goods listed in the contested specification are *Make up foundations*. The contrast between the applicant's conduct and what the applicant asserts is clear, however, in order to

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<sup>24</sup> Paragraph 3(b) of counterstatement and witness statement of Sofia Wikner paragraph 2.4

determine whether there is misrepresentation I do not need to dwell on this – although I return to it later when I deal with the bad faith claim.

58. The applicant also argued that “*it has a significantly different approach when it comes to sustainability and natural ingredients*” because the opponent’s products contain artificial ingredients that the applicant would never use.<sup>25</sup> This is irrelevant, because the claim for passing off is not in respect of potential use of the contested mark in the future. The issue for determination is, instead, the situation at the relevant date on the basis of notional and fair use of the contested mark across its full range of goods.

59. I agree with Ms Michaels that the following goods in the contested specification are either self-evidently identical to the opponent’s foundation or encompass the opponent’s foundation (and thus can be considered to be identical): *Make up foundations; Make-up for the face; Skin foundation; Skin make-up; Skin care cosmetics*. Further, skincare creams and moisturisers can be tinted (although they would have less colour pigment than foundation) and might be used as an alternative to the opponent’s foundation. I consequently find that the contested *Skin care creams [cosmetic]; Skin creams; Skin hydrators and Skin moisturisers* are highly similar to the opponent’s foundation. The contested specification also include a number of skincare products, namely *Skin cleansers [cosmetic]; Skin cleansing cream; Skin cleansing lotion; Skin lotion; Skin masks; Skin masks [cosmetics]; Skin soap; Skin toners; Skin whitening creams; Skin whitening preparations* which I consider to be similar (to a medium degree) to the opponent’s foundation. This is because the goods belong to the same overall beauty market, target the same users, have a similar nature and purpose (generally speaking, the goods could be used as part of the same beautification regime but they could also have acne-control properties like the opponent’s foundation, or use the same active ingredients), and could be sold by the same retailers and aesthetic clinics which stock the opponent’s products.

Finally, the contested specification include *shampoo*. Although shampoo is not a skincare or make up product and it is unlikely that there would be any overlap in terms

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<sup>25</sup> Paragraph 3(b) of counterstatement

of the outlets through which the respective products are sold, it still forms part of the beauty industry generally. There is therefore a common field of activity or at least a degree of overlap between the parties' respective fields of activity.

Misrepresentation and damage

60. Given the identity of the marks, the closeness of the goods and the inherently high distinctiveness of the opponent's OXYGENETIX sign, I have no hesitation in finding that misrepresentation is established in relation to all of the goods listed in the contested specification, including shampoo, and that a substantial number of the opponent's consumers would be confused into thinking that the applicant's products were those of the opponent or linked to them in the course of trade.

61. In *Harrods Limited V Harrodian School Limited* [1996] RPC 697, Millett L.J. described the requirements for damage in passing off cases like this:

“In the classic case of passing off, where the defendant represents his goods or business as the goods or business of the plaintiff, there is an obvious risk of damage to the plaintiff's business by substitution. Customers and potential customers will be lost to the plaintiff if they transfer their custom to the defendant in the belief that they are dealing with the plaintiff. But this is not the only kind of damage which may be caused to the plaintiff's goodwill by the deception of the public. Where the parties are not in competition with each other, the plaintiff's reputation and goodwill may be damaged without any corresponding gain to the defendant. In the *Lego* case, for example, a customer who was dissatisfied with the defendant's plastic irrigation equipment might be dissuaded from buying one of the plaintiff's plastic toy construction kits for his children if he believed that it was made by the defendant. The danger in such a case is that the plaintiff loses control over his own reputation.”

62. Although the opponent has not specifically invoked any head of damage in its statement of grounds, it seems to me that when identical or highly similar goods are involved, the most likely damage the opponent would suffer would be direct loss of sales. In relation to the goods which I found to be less similar to the opponent's goods,

damage is likely to arise from dilution, association with the business owned by the applicant and loss of control by the opponent of its own reputation. **The passing off-claim succeeds in its entirety.**

### Section 3(6)

63. 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.”

64. The relevant case-law covering trade mark applications made in bad faith can be found in the following cases: *Chocoladefabriken Lindt & Sprüngli*, CJEU, Case C-529/07, *Malaysia Dairy Industries*, CJEU, Case C-320/12, *Koton*, CJEU, Case C-104/18P, *Sky v Skykick*, CJEU, Case C-371/18, *Hotel Cipriani SRL and others v Cipriani (Grosvenor Street) Limited and others*, [2009] RPC 9 (approved by the Court of Appeal in England and Wales: [2010] RPC 16), *Trump International Limited v DDTM Operations LLC*, [2019] EWHC 769 (Ch), *Copernicus-Trademarks v EUIPO*, General Court of the EU, Case T-82/14, *Daawat Trade Mark, The Appointed Person*, [2003] RPC 11, *Saxon Trade Mark*, [2003] EWHC 295 (Ch), *Mouldpro ApS v EUIPO*, General Court of the EU, Case T-796/17, *Alexander Trade Mark, The Appointed Person*, BL O/036/18, *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch) and *Sky v Skykick* [2020] EWHC, 990 (Ch).

65. The law appears to be as follows:

- (a) While in everyday language the concept of ‘bad faith’ involves a dishonest state of mind or intention, the concept of bad faith in trade mark law must be understood in the context of trade: *Sky* CJEU.
- (b) Applying to register a trade mark without an intention to use it is not bad faith *per se*. Therefore, it is not necessary for the trade mark applicant to be using, or have plans to use, the mark in relation to all the goods/services covered by the specification: *Sky* CJEU.

- (c) The bad faith of the trade mark applicant cannot, therefore, be presumed on the basis of the mere finding that, at the time of filing his or her application, that applicant had no economic activity corresponding to the goods and services referred to in that application: *Sky CJEU*.
- (d) However, where the trade mark application is filed without an intention to use it in relation to the specified goods and services, and there is no rationale for the application under trade mark law, it may constitute bad faith. Such bad faith may be established where there are objective, relevant and consistent indications showing that the applicant had the intention either of undermining, in a manner inconsistent with honest practices, the interests of third parties, or of obtaining, without even targeting a specific third party, an exclusive right for purposes other than those falling within the functions of a trade mark: *Sky CJEU*.
- (e) This may be the case where the exclusive right was sought as part of a strategy of using widely cast trade mark registrations as legal weapons for use against others in opposition proceedings and/or for the purposes of blocking applications by third parties: *Sky EWHC* and *Copernicus-Trademarks v EUIPO*.
- (f) A trade mark may be applied for in good faith in relation to some of the goods/services covered by the application, and in bad faith as regards others: *Sky CJEU*.
- (g) This may be the case where the applicant has included a specific term in the specification, such as 'computer games', with no intention of using the mark in relation to any such goods, simply to obstruct third parties from using or registering the same mark, or similar marks. It may also be the case where the applicant has included a broad term, such as 'computer software', with the intention of using the mark in relation to a particular sub-category of such goods/services, but no intention of using the mark in relation to all the other (sometimes very different) sub-categories of goods/services covered by the



broad term, with the objective of obstructing third parties from using or registering the mark in relation to such goods/services: *Sky EWHC*.

(h) In deciding whether there was a rationale for registering the trade mark in relation to any particular term, it is necessary to bear in mind that trade mark proprietors have a legitimate interest in seeking protection in respect of goods or services in relation to which they may wish to use the trade mark in future (even if were no plans to use the mark in relation to the goods/services at issue at the time of filing the application): *Sky EWHC*. It is therefore relevant to consider whether the goods/services in the contested application are related to those for which the mark has been used, or for which the applicant had plans to use the mark.

66. The following points are apparent from the pre-*Sky* case-law about registering trade marks in bad faith:

(i) Although it may be a relevant factor, the mere fact that the applicant knew that another party was using the trade mark in another territory does not establish bad faith: *Malaysia Dairy Industries*.

(j) Similarly, the mere fact that the applicant knew that another party used the trade mark in the UK does not establish bad faith: *Lindt, Koton* (paragraph 55). The applicant may have reasonably believed that it was entitled to apply to register the mark, e.g. where there had been honest concurrent use of the marks: *Hotel Cipriani*.

(k) However, an application to register a mark is likely to have been filed in bad faith where the applicant knew that a third party used the mark in the UK, or had reason to believe that it may wish to do so in future, and intended to use the trade mark registration to extract payment/consideration from the third party, e.g. to lever a UK licence from an overseas trader: *Daawat*, or to gain an unfair advantage by exploiting the reputation of a well-known name: *Trump International Limited*.

- (l) An application may also have been filed in bad faith where the applicant acted in breach of a general duty of trust as regards the interests of another party, including his or her own (ex) company or (ex) partners, or a party with whom there is, or had recently been, a contractual or pre-contractual relationship, such as a licensor, prospective licensor or overseas principal: *Saxon, Mouldpro*; or where a legal agreement prohibits such a filing.

67. The correct approach to the assessment of bad faith claims is as follows. According to *Alexander Trade Mark*, the key questions for determination in such a case 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?

68. The applicant's intention (i.e. objective) is a subjective factor which must be determined objectively by the competent authority. An overall assessment is required, which must take account of all the factual circumstances relevant to the particular case: *Lindt*.

69. The matter must be judged at the relevant date, which is the date of the application for registration: *Lindt*.

70. It is necessary to ascertain what the applicant knew at the relevant date: *Red Bull*. Evidence about subsequent events may be relevant, if it casts light backwards on the position at the relevant date: *Hotel Cipriani*.

71. A statement on the application form that the mark is in use, or there is a *bona fide* intention to use it may, if untrue, provide evidence supporting a bad faith case, but is not sufficient by itself to justify the refusal or cancellation of the registration: *Sky CJEU*.

72. 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*.

*The opponent's case under Section 3(6)*

73. The way in which the opponent's case was put in Ms Michaels' skeleton argument is as follows:

*"The bad faith claim is based upon the fact that the opponent owned the goodwill in the mark prior to May 2019 (and, indeed, prior to the applicant filing its first trade mark application in Sweden) and the applicant was aware of the opponent's earlier rights, such that the applicant cannot have believed that it had the right to register the mark. The application was made not with the aim of engaging fairly in competition but with the intention of undermining or taking advantage of the opponent's rights, in a manner inconsistent with honest practices".*

And

*"The opponent has believed from the outset of this case that the applicant made its application to register the UK mark in full knowledge of the opponent's prior use of the same mark, so that this case falls squarely within the kind of bad faith identified at Lindt [46] – [47]. Initially, as pleaded, that belief arose out of Mr Wikner's background in the healthcare and pharmaceutical field, and Mrs Wikner's expertise in the aesthetic industry. However, in its amended statement of grounds of opposition, the opponent relies upon an email sent to it on 13 May 2018 by Mr and Mrs Wikner [KP1] in which they said*

*"We are interested in learning more about potential opportunities for agency/distribution of the oxigenetix products in Sweden and possibly Denmark. We are up located in Uppsala...*

*Our intention would be to sell oxygenetix mainly through web based sales but also through own 3<sup>rd</sup> party salon/clinic sales.*

*Do you have any interest in this region or would it be interesting for you to discuss this?"*

*It is notable that on the same day the Applicant applied to register Oxygenetix as a trade mark in Sweden for skincare creams, etc.*

*As Mr Pearson explained, it has not been possible to establish whether any reply was sent by the Opponent to the Applicant in response to its email of 13 March 2018. However, that does not matter. The email shows without doubt that prior to registering any of its marks, the Applicant was aware of the Opponent and Oxygenetix products. That fact was not disclosed by the Applicant.*

*Mr Pearson's evidence goes further, and shows that from July 2018, 3 months before filing the EUTM application and 10 months before making the UK trade mark application, Mrs Wikner was following the Opponent's Instagram account. [...] Further, Mr Wikner's 2<sup>nd</sup> witness statement replying to the amended case did not explain how he, or an honest businessman, knowing of the Opponent's use of Oxygenetix could have thought it right to register the Swedish mark, followed by the EUTM and the current application. In particular, he does not try to justify the application made to register the Swedish mark on 13 March 2018, the same day that the email was sent to the Opponent. Mr Wikner simply complains that the Opponent has failed to act despite (supposedly) having information about the Applicant's activities from an early stage. His failure to grapple with the real issue speaks volumes."*

74. Ms Michaels also referred to some of the evidence filed by the applicant being seriously "economical with the truth" and deliberately misleading and, I shall return to this in more detail, supporting the inference that the application was made in bad faith.

The opponent's evidence which relates to the bad faith claim

75. I shall start where Ms Michaels started, with the witness statement of Kort Pearson which is the strongest piece of evidence against the applicant. Mr Pearson exhibited<sup>26</sup> a copy of an email which was sent by Mrs and Mr Wikner to the opponent at info@oxygenetix.com on 13 March 2018, more than one year before the contested mark was filed. The email reads as follows:

Dear Sir/Madam,

We are interested in learning more about potential opportunities for agency/distribution of the oxygenetix products in Sweden and possibly Denmark. We are located in Uppsala, Sweden, just north of Stockholm and 20 minutes from Stockholm Arlanda International Airport.

We have discussed this within a group of people/colleagues active as practitioners and entrepreneurs in the esthetics as well as digital industries such as social media management and healthcare.

Our idea would be to sell oxygenetix mainly through web based sales but also through own and 3rd party salon/clinic sales.

Do you have any interest in this region and would it be interesting for you to discuss this?

Please let us know and we can let you know more about who we are and our plans.

Thanks and kind regards,

Christer Wikner

PhD, MBA

Sofia Wikner

Licensed Nurse

76. Mr Pearson said that he was unable to find out whether the opponent ever responded to the above email. However, the content of the email is not in contention

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<sup>26</sup> KP1

as far as the applicant is concerned. Neither Mrs nor Mr Wikner deny sending the email.

77. Clearly therefore when Mrs and Mr Wikner emailed the opponent on 13 March 2018 to see if there were opportunities for becoming distributors of the opponent's products in Sweden, they were aware of the mark OXYGENETIX. On the very same day the email was sent, the applicant applied to register the mark OXYGENETIX in Sweden, and less than seven months after that date, on 4 October 2018, it applied to register the same mark at the EUIPO. The Swedish and the EUTM marks were registered on 3 July 2018 and 25 January 2019 respectively,<sup>27</sup> following which, the applicant filed the UK application on 12 May 2019. At the time the applicant filed the first application in Sweden, the opponent's OXYGENETIX products were already selling on the Swedish market<sup>28</sup>, although the sales were relatively small. According to the evidence, there were a number of official distributors of the opponent's products in Sweden since 2011 and sales amounted to nearly US\$44,000 between 2011 and 2017.<sup>29</sup> The opponent was also selling its products in the UK (since at least April 2014), and in other EU countries, including Germany and Netherlands (with recorded sales of over US\$70,000 and US\$183,000 between 2011 and 2017).<sup>30</sup>

78. Although Mr Wikner filed two witness statements<sup>31</sup> in reply to the evidence about the email of 13 March 2018, he did not really address the points made to him by the opponent – that when he filed the application to register the contested mark on behalf of the applicant, he knew of the opponent's use of the mark OXYGENETIX and that the only reason why he filed that application was to undermine or take advantage of the opponent's rights, in a manner inconsistent with honest practices. Insofar as any practical defence can be extrapolated from the applicant's evidence and from what Mr Wikner said at the hearing, the main point seems to be that the applicant did not know what the opponent's plans for Europe were. At the hearing Ms Michaels pointed out that this argument was kind of made in Linda Fixelius' witness statement, who is the owner of a hairdresser salon in Sweden and stated that in 2017-2018 Mrs Wikner, who

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<sup>27</sup> BP28

<sup>28</sup> Witness statement of Anna Tholen

<sup>29</sup> BP(2)12-13

<sup>30</sup> BP(2)12

<sup>31</sup> Witness statements of Chris Wikner of 1 and 17 March 2021

is an aesthetic nurse by trade, rented part of her premises. During that time, Ms Fixelius said, Mrs and Mr *Wikner* “*brought up their idea of developing their own skincare series under the name oxygenetix and potential collaboration with [her]*” and “*after some time when the ideas matured a bit, [they] jointly and independently started to put more work into the product ideas and eventually also discovered a small US company by the name of Oxygenetix*”. She then said that they “*discussed an alternative that would be to ask the US company if they were interested in Europe and distribution partners [in Sweden]*” and that while they “*did not dig very deep, [they] could find no company or other presence in Europe and on their website it was apparent that they were only selling in the US*”.

79. Similar comments were made by Mr *Wikner* in his skeleton arguments where he states that the opponent did not show any interest in the UK and any other European markets until late 2019 and blames the opponent for not having followed the “*established trade mark procedures*”, by which I understand he meant that it was the opponent’s own fault that it did not apply to protect its trade mark in the UK and in the EU before the applicant did so:

“[The applicant] will argue that this time line in Exhibit USAB 12 clearly shows the non-interest in the UK and any other European market that the Opponent has shown until late 2019. It also clearly shows the neglect the Opponent has shown over authorities, established trade mark procedures and as a consequence, harm and damage to other companies on these markets trying to base their businesses on professionalism and compliance with authorities”

80. I take the reference to the opponent not showing any interest “*in the UK and any other European market*” until late 2019 as a reference to the fact that the opponent did not seek trade mark protection until June-July 2019, which is when the opponent launched the opposition against the mark at issue and filed two applications to register the mark OXYGENETIX in the UK and the EU (both of which were opposed by the applicant).<sup>32</sup>

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<sup>32</sup> Opposition no. 600001261

81. Mr Wikner appears therefore to equate the opponent's interest in the UK and EU markets with the opponent seeking trade mark registrations in those territories. He further states:

“[The applicant] and our collaborators could not, despite reasonable efforts, understand that the Opponent had an interest in the UK or other European markets. This included attempts for direct contact with the Opponent in the USA without result. Despite proven knowledge about trade marks and the importance to protect your name in the markets you want to sell (the Opponent registered in the USA some 10 years ago), the first ever trade marking action by the Opponent in any European country was 19 Jul 2019, a decade after the US registration.”

82. There are obvious difficulties with Mr Wikner's arguments. It is relevant at this stage to note the following points:

- i. Mr Wikner's argument completely ignores the fact that because the opponent had not taken any steps to register the mark OXYGENETIX in the EU and in the UK, it did not mean that it had no actual trade, or interest to further expand its trade, in those territories. Whilst it is usually preferable to obtain registered trade mark protection, it is trite law that proprietors of non-registered marks may oppose the registration of EU and UK marks if the non-registered trade mark is used in the course of trade and the use satisfies the relevant normative conditions, including that of having been used prior to the date of application of the contested mark to an extent that the proprietor has acquired a right to that mark pursuant to the law of the territory in which the mark has been used. Hence, the fact that the opponent did not own a registered trade mark in the UK (or the EU) did not automatically entitle the applicant to apply for a mark identical to that used by the opponent and, even less, constitutes an *indicia* of the applicant's good faith;
- ii. Although the present proceedings are limited to the UK, the contested mark is part of a series of applications aimed at obtaining trade mark protection in the EU. Consequently, it might be useful to look at the overall picture presented by



the evidence, in particular at the applicant's conduct in relation to the first application filed in Sweden. In my view, the time line of events is not consistent with Mr Wikner's explanation that they made reasonable efforts to understand whether the opponent had an interest in the UK or other European markets, including attempts to contact the opponent in the USA "*without result*". Since the application to register the mark in Sweden was made on the very same day Mrs and Mr Wikner emailed the opponent asking whether there were opportunities for becoming its distributors in Sweden (and since the applicant did not say that it received an immediate response from the opponent to say that it was not interested in marketing its products in Sweden), it is difficult to understand how Mr Wikner can aver that they believed that the opponent was not interested in Sweden (or indeed the EU and the UK). If the purpose of the email was to genuinely establish whether the opponent had an interest in using the mark in Sweden to avoid, I put it colloquially, "stepping on the opponent's toes", then why did Mr Wikner - to use another metaphor - jump the gun by filing a trade mark application in Sweden straightaway before hearing from the opponent?

83. Going back to the evidence, Mr Powell explained<sup>33</sup> that the opponent registered the mark in 2010 in the USA and that although the opponent had asked its UK distributor to register the mark in the UK, this was not done and the opponent became aware that the mark had not been registered only after it received the applicant's letter of 13 June 2019. This leads me to the second most important piece of evidence, namely, the letter of 13 June 2019, which reads:

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<sup>33</sup> Mr Powell's first witness statement, paragraph 4.4

Re: United Strategy AB  
Oxygenetix European trademark

Dear Mr. Pearson:

This office represents United Strategy AB, a Swedish corporation based in Uppsala, Sweden. United Strategy holds the European registration for the trademark "Oxygenetix." A copy of the registration certificate is attached.

We have become aware that your company is offering its skin care and make up products for sale in Europe under the name Oxygenetix. For example, Skin City in the UK offers products under the mark Oxygenetix, even showing a registered trademark indication after the mark. See <https://www.skincity.co.uk/m-186-oxygenetix.aspx>.

You will appreciate that use of the Oxygenetix mark in Europe is an infringement of the trademark held by United Strategy. You will also be pleased to hear that United Strategy is interested in exploring a business resolution of the infringement issue on mutually acceptable terms. The trademark owned by my client covers a market of a size similar to that of the US market for products under the Oxygenetix mark.

Please contact us at your earliest convenience to discuss this matter. If we do not receive a response by the end of June, we will assume that you are not interested in a negotiated, business-focused resolution of these issues and we will proceed accordingly.

84. The above letter was sent by the applicant's US attorney only one month after the UK trade mark application was filed on 12 May 2019. I find it surprising that whilst the applicant could not find any use of the opponent's mark in the UK on or before 12 May 2019, all of a sudden on 13 June 2019 it had become aware that the opponent was offering its OXYGENETIX products in the EU and the UK. Mr Pearson also filed evidence to show that 'sofiawiknerestetik' Instagram account began following the opponent's Oxygenetix Instagram account on July 2018 and was still following it on 7 January 2021.<sup>34</sup>

85. Given what I have set out above, I reject Mr Wikner's argument that *"it has been impossible for [the applicant] [...] to discover and understand [the opponent's] plan for Europe and the UK"* prior to the contested application being filed. I agree with Ms Michaels that any straightforward Internet search would have revealed that the opponent was using the mark OXYGENETIX in the UK prior to the relevant date. This can be positively inferred by the fact that shortly after the UK application was filed, the applicant had no difficulty in finding out that the opponent's products were sold in the

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<sup>34</sup> KP3

UK and used that knowledge against the opponent to threaten infringement proceedings.

86. There have been cases in which bad faith claims have failed on the basis that the mere knowledge of another mark in another jurisdiction is not sufficient on its own to support a finding of bad faith. In *Malaysia Dairy Industries Pte Ltd v Ankenævnet for Patenter og Varemærker* Case C-320/12, the CJEU held that:

“2. Article 4(4)(g) of Directive 2008/95 must be interpreted as meaning that, in order to permit the conclusion that the person making the application for registration of a trade mark is acting in bad faith within the meaning of that provision, it is necessary to take into consideration all the relevant factors specific to the particular case which pertained at the time of filing the application for registration. The fact that the person making that application knows or should know that a third party is using a mark abroad at the time of filing his application which is liable to be confused with the mark whose registration has been applied for is not sufficient, in itself, to permit the conclusion that the person making that application is acting in bad faith within the meaning of that provision.

3. Article 4(4)(g) of Directive 2008/95 must be interpreted as meaning that it does not allow Member States to introduce a system of specific protection of foreign marks which differs from the system established by that provision and which is based on the fact that the person making the application for registration of a mark knew or should have known of a foreign mark.”

87. However, in *Daawat Trade Mark* [2003] RPC 11, Mr Geoffrey Hobbs QC, as the Appointed Person, upheld a decision to invalidate a registration under Section 47 and Section 3(6) of the Act. He did so on the basis that it had been established that the application for registration was:

- made in the knowledge of the applicant’s trade in identical goods under an identical mark in other markets, and

- motivated by a desire to pre-empt the applicant's entry into the UK market in order to secure a commercial advantage in negotiations with the trade mark holder.

88. By contrast, in *Wright v Dell Enterprises Inc.* (HOGS AND HEFFERS), BL O/580/16, Professor Ruth Annand, as the Appointed Person, upheld the registrar's decision to reject an opposition on the ground that the applicant had copied a trade mark with a reputation the USA (but not in the UK) and applied to register it in relation to the same services. Professor Annand ruled that, given the territorial nature of IP rights, the mere appropriation of a name registered/used abroad was not enough under UK law: there must be something else involved before this can justify a finding of bad faith.

89. Whilst the mere appropriation of a mark registered and used abroad is not sufficient to find bad faith, the case is very different here because the mark was actually used in the UK. There is no doubt that Mr and Mrs Wikner were aware of the opponent's OXYGENETIX products when they filed the application to register the mark in the UK, so much so that, in the year before, they approached directly the opponent enquiring if there were opportunities to become its distributors in Sweden. As I have explained, I do not accept Mr Wikner's version that they sent the email of 13 March 2018 to establish whether the opponent had an interest in using the mark in Sweden - this is not consistent with their action of rushing to file a trade mark application in Sweden on the very same day, followed by a EUTM application. Mr Wikner says that it did not know whether the opponent had plans for the UK. However, by the time Mr Wikner filed the UK application the opponent had been trading in the UK for 5 years and had acquired goodwill (with associated passing-off rights) in respect of the mark OXYGENETIX. Further, (as I found) only a month after the UK application was filed, the applicant wrote to the opponent claiming that it owned a EUTM for the mark OXYGENETIX and that it became aware that the opponent's products were sold in the UK threatening infringement proceedings; as I found, there was no reason why the applicant could not have conducted the searches that revealed the UK use prior to applying for the UK mark.

90. The facts put forward by the opponent are not denied. The only material point of divergence is the question of the reason why the applicant filed the application(s). Mr Wikner claimed that he coined the name OXYGENETIX independently whilst studying to become a chemist in Uppsala between the late 1980s and the mid-1990s.<sup>35</sup> The only evidence put forward by Mr Wikner in this regard is that he was influenced by the famous scientist Carl Wilhemmen Scheele who discovered oxygen in Uppsala,<sup>36</sup> that two of the courses he passed were biochemistry and molecular genetics<sup>37</sup> and that during his PhD he developed a *“model system for enzyme studies applying genetic modification of yeast”*.<sup>38</sup> Consequently, I agree with Ms Michaels that there is simply no evidence of any sort to substantiate Mr Wikner’s claim.

91. Further, whilst Mrs and Mr Wikner say that they had plans to use the mark OXYGENETIX on their own skin care products, they had no existing trade at the time the UK trade mark application was filed. More to the point, I do not understand on which basis Mr Wikner, who is an experienced businessman, and 1) knew of the opponent’s use of the mark OXYGENETIX in the US and could have easily found out that the opponent was using the mark in Europe and in UK; 2) had shown an interest in becoming a distributor of the opponent’s OXYGENETIX products in Sweden and 3) had not actually used the mark himself in the course of trade, thought that he was entitled to register the opponent’s mark OXYGENETIX in the EU and the UK and expected the opponent (who had been legitimately trading for years under the mark in the EU and the UK) to negotiate some *“business resolution”* which would have given the applicant some advantage (being it commercial or financial) on *“mutually acceptable terms”* in exchange of the applicant not objecting the opponent’s use of its own mark. In this connection, Mr Wikner states:<sup>39</sup>

“The Opponent has placed a lot of emphasis on the letter that USAB sent 13 Jun, 2019 via our US contact and agent, an old friend of Christer Wikner since the Amersham and GE days. The Opponent claims that this is a very hostile

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<sup>35</sup> Mr Wikner’s witness statement of 31 August 2020, paragraph 3.5 and 3.6

<sup>36</sup> USAB4

<sup>37</sup> USAB2

<sup>38</sup> USAB5

<sup>39</sup> Submission of 1 March 2021 page 5

step and action by USAB. What the Opponent has not described however, is what the Opponent thinks that USAB should have done instead?

At that point in time, there was already a de facto issue around the name and trademark. USAB had registered trademarks in both Sweden and the EU as well as having applied in the UK. What is the Opponents suggestion for how USAB should have acted at that stage? Ignoring everything? Sending a letter saying that we give away everything we worked for, for free? This question has remained unanswered.

In reality, would it not be fair to say that the letter and (once more) attempt to openly get in direct contact with the Opponent regarding a discussion and resolution, was a sign of good intent and “good faith”? In particular since the USAB filing was still in early application stage in the UK. A more clever “bandit” with a clear bad faith agenda had perhaps waited silently until all registrations were firmly in place? And again, this was not the first time USAB tried to get in touch. Several attempts were made earlier on without any response.”

92. I do not see a lot of difference between, as Mr Wikner puts it, the actions of someone with *“a clear bad faith agenda”* that would have waited silently until all registrations were firmly in place, and what Mr Wikner has actually done, the only difference being that when the applicant wrote to the opponent threatening it with trade mark infringement, the UK application was pending. The fact that the applicant did not wait until the UK mark was registered before seeking to extract some advantage from the opponent, does not make any difference. This is because it is clear that the UK registration was part of a plan aimed at registering a mark identical to that used by the opponent for goods identical or similar to those in relation to which the opponent used the mark in territories, namely the EU and the UK, in which the opponent had an established trade under the mark with the aim of using those trade mark registrations (or any priority right conferred by the UK pending application) to extract some kind of commercial or financial advantage from the opponent. Mr Wikner (and the applicant)’s actions are not consistent with good faith. His conduct departs from accepted principles of ethical behavior of honest commercial and business practices and is

*“dishonest by ordinary standards of honest people”*. The application was made in bad faith.

### **93. The bad faith claim also succeeds.**

## **OUTCOME**

94. The opposition has been successful on both grounds. The application will be refused.

## **COSTS**

95. The opponent has been successful and is entitled to a contribution towards its costs. At the hearing Ms Michaels argued that if the opponent succeeded on the basis of its Section 3(6) claim, it would seek an award of costs off the scale. After the hearing, and at my request, the applicant filed written submissions detailing its request in relation to costs.

96. In its submissions, the opponent asked that if the finding of bad faith were to be based upon the opponent’s argument that the additional evidence given by Mr Pearson, including the email of 13 March 2018, showed with no doubt that the applicant was aware of the opponent’s mark and goods prior to registering any mark, the opponent would seek to recover costs off the scale in relation to that part of the evidence. According to the opponent had the applicant been honest about the contact between the parties and its knowledge of the opponent’s mark in 2018-2019, as opposed to providing partial and misleading evidence, it would have at very least been unnecessary to incur the additional costs of providing the additional round of evidence. The opponent claimed that the total costs of preparing and filing Mr Pearson’s evidence is £13,876. In addition, the opponent seeks an award of an appropriate part of its costs for preparing and attending the hearing which amounted to £4,341 (for CSY London) and £6,500 for Ms Michaels. The opponent submitted that it would be appropriate to award it at least one half to one third of these costs.

97. I have reviewed Mr Wikner's evidence and I agree with the opponent that it is rather economical with the truth and, at times, inconsistent with the applicant's actions. However, it was the opponent's duty to present its best case from the start of the proceedings. Whilst the Tribunal expects that parties to proceedings behave honestly, it is unrealistic for the opponent to expect the applicant to have done a better job than Mr Powell initially did with his evidence, and to disclose material evidence against its own interest. In this connection, it is not clear whether Mr Wikner kept a copy of that email and, to be fair to him, he never denied sending the email. However, I agree with the opponent that some of the evidence filed by the applicant is not consistent with the applicant's actions - for example, Mr Wikner stated that they did not intend to use the mark in relation to foundation, a statement which is inconsistent with the fact that the contested specification includes foundation. Other evidence is positively misleading, for example, it is not credible that the applicant did not know that the opponent was trading in the UK on 12 May 2019 but on 13 June 2019 it suddenly became aware of the opponent's trade. This leads me to conclude that the applicant's defence was presented with a certain degree of bad faith. In the circumstances, I consider it appropriate to partially grant the opponent's request and award it the costs claimed for preparing and attending the hearing on the top of the normal award of costs (calculated at the top end of the scale) to which the opponent is entitled. I calculate the award as follows:

Official fees:	£200
Preparing a statement and considering the other side's statement:	£600
Preparing evidence and considering and commenting on the other side's evidence:	£2,200
Costs off the scale (£4,341+£6,500)	£10,841
Total	£13,841



98. I therefore order United Strategy AB to pay Oxygenetix Institute Inc. the sum of £13,841. This sum to be paid within 21 days of the end of the period allowed for appeal or, if there is an appeal, within 21 days of the conclusion of any appeal proceedings.

**Dated this 18th day of August 2021**

**T Perks  
For the Registrar,  
the Comptroller-General**