

O-612-18

TRADE MARKS ACT 1994

IN THE MATTER OF TRADE MARK APPLICATION NO 3 179 962: ALMOND IN
CLASSES 09, 16, 25, 26, 38 AND 41 BY ALMOND INTERNATIONAL LIMITED

AND

IN RESPECT OF THE OPPOSITION THERETO BY ALMOND JEWELERS INC

Background and pleadings

1. Almond International Limited (the applicant) applied to register the trade mark No 3 179 962 Almond in the UK on 12th August 2016. It was accepted and published in the Trade Marks Journal on 27th January 2017 in respect of the following goods and services:

Class 09:

Computer hardware; computer software; computer peripherals; electronic data processing equipment; computer networking and data communications equipment; computer components and parts; electronic memory devices; electronic control apparatus; programmed-data-carrying electronic circuits; wires for communication; electrodes; telephones; aerials; batteries; micro processors; keyboards; video films.

Class 16:

Paper; cardboard; printed publications; printed matter; computer printers (Inking ribbons for -); bookbinding materials; books; adhesives for stationery or household purposes; artists' paint brushes; music sheets; music scores; periodical magazines; photographs; stationery and educational supplies; typewriters; Instructional and teaching material (except apparatus); plastic materials for packaging (not included in other classes); printing blocks.

Class 25:

Clothing; footwear; headgear; swimwear; sportswear; leisurewear.

Class 26:

Lace; embroidery; ribbons; braid; buttons; hooks and eyes; pins; needles; artificial flowers.

Class 38:

Telecommunication services; communication services for the electronic transmission of voices; transmission of data; electronic transmission of images, photographs, graphic images and illustrations over a global computer network; transmission of data, audio, video and multimedia files; simulcasting broadcast television over global communication networks, the Internet and wireless networks; provision of telecommunication access to video and audio content provided via an online video-on-demand service; satellite communication services; telecommunications gateway services.

Class 41:

Teaching; education; training; entertainment services; production of television programs; film distribution; production of shows; production of films; provision of non-downloadable films and television programs via a video-on-demand service; arranging, conducting and organisation of workshops; conducting of seminars and congresses; arranging of exhibitions for cultural purposes; organizing and arranging exhibitions for entertainment purposes; organizing and presenting displays of entertainment [relating to style and fashion]; organization of [fashion] shows for entertainment purposes.

2. Almond Jewelers Inc (the opponent) oppose the trade mark on the basis of, amongst another ground, Section 3(6) of the Trade Marks Act 1994 (the Act). It argues that this is on the basis of the fact that at the relevant date, 12th August 2016, the sole director of the applicant company was (and still is) Mr Michael Gleissner. Mr Gleissner's actions can therefore be attributed to the applicant. The applicant's intentions are to be assessed on the objective factors surrounding the application. The opponent will show that Mr Gleissner is listed at Companies House as a director of over 1,102 companies and is stockpiling trade marks with no intention to use them. The opponent will also show Mr Gleissner's companies have filed over 4,400 trade marks across 38 jurisdictions, 663 of which are UK trade marks. The opponent will show that

the trade mark applied for was registered in bad faith and should be refused registration in its entirety.

3. The applicant filed a counterstatement denying the claims made. It denies that it is stockpiling trade marks with no intention to use and argues that there is a presumption of good faith unless the contrary is proven. Further, on the subject of use, it argues that, according to the law of the UK, the owner of a trade mark is not expected to make genuine use of the mark while examination or opposition proceedings are pending, or under any circumstance, before the five year grace period has begun. The counterstatement goes on to say:

“Considering the above, there is no requirement for the Applicant to show intent to use the Subject Mark, as the registration is pending and the application is under opposition proceedings. In any case, a registered proprietor is entitled to make use of a trade mark at any point during the five year grace period; there is no strict requirement to prove the intent to put a mark to use immediately before or after the registration. In certain cases, according to the UK law, an owner is not required to put its trade mark to use until 1 day before the expiration of the ‘grace period’ granted by the Act upon registration. The *bona fide* intention to make use of the Subject Mark if and when it achieves registration can, according to UK law, only be evaluated in the course of a revocation action due to non-use after 5 years of registration. Accordingly, and in any other circumstance, the present application for registration was made in good faith and the claims of the Opponent to the contrary should be dismissed”.

4. Only the opponent filed evidence in these proceedings. This will be summarised to the extent that it is considered appropriate. Only the opponent filed written submissions which will not be summarised but will be referred to as and where appropriate during this decision. The applicant has indicated that its comments in its counterstatement should be taken as its submissions on the matter. These have already been described above. No hearing was

requested and so this decision is taken following a careful perusal of the papers.

Evidence filed

5. This is a witness statement, dated 15th May 2018, from Mr Christopher Andrew Baume, a Chartered Trade Mark Attorney and the opponent's representative in this matter. The following information is contained therein:
 - Exhibit CAB1 is an extract, dated 30th April 2018, from the Companies House website showing that Mr Michael Gleissner is the sole director of the applicant company;
 - Exhibit CAB2 is an extract, dated 30th April 2018, from the Companies House website, showing that at that date, Mr Gleissner had 1,102 appointments;
 - Exhibit CAB4 is an article written and published by World Trade Mark Review, dated 2nd November 2017 in relation to Mr Gleissner's activities. The article indicates that it is the result of an expanded investigation into Mr Gleissner's filing operation. It claims that at the time of writing, this amounts to over 4,000 trade marks across 38 jurisdictions, with 663 being in the UK. The article then focusses upon "a call for action" and include the thoughts of a small business owner, within which he called for the UK IPO to take action to proactively defend trade mark owners. Further, a lead IP lawyer for Britvic is quoted in the article as saying that in dealings with Mr Gleissner, "bad faith has to be a runner too". The lawyer added that the "various IP bodies should come together to define a strategy for dealing with this". The article concludes by stating that all eyes were now on the major IP bodies to see if the issue will be discussed at a high level.
 - Exhibit CAB5 is a list of UK registered Company names where Mr Gleissner is the sole Director. It is noted that the number of names on the list is significantly numerous. The exhibit also contains a list of UK trade mark applications and registrations that appear to be associated with a UK

registered company where Mr Gleissner is the sole Director. These are equally numerous.

- Exhibit CAB6 is an article written and published by World Trademark Review, dated 25th January 2018. It is in respect of the decision of Mr Geoffrey Hobbs QC on appeal from the decision of Mr Allan James issued on behalf of the Registrar of Trade Marks under reference BL O/442/17. The article describes a decision of the UK IPO (upheld on appeal) in respect of the refusal of an application from a company of Mr Gleissner's. The reason for the refusal being that there was no sound business reason to use it. The Hearing Officer in the decision stated that there is an "absence of any apparent commercial logic for the pattern of the applicant and/or Mr Gleissner's other companies" and that "there is evidence that companies controlled by Mr Gleissner have been found to have abused legal systems". On appeal Mr Geoffrey Hobbs QC added "in my judgment, the opponent has presented a prima facie case that the contested mark is part of a blocking strategy intended to obtain financial benefit from third parties who are likely to be already using or who are likely in the future to wish to use, trade names including, in this case, the name ALEXANDER in order to distinguish their goods and services". The decision also included some statistics. As at 30th November 2017, entries related to Gleissner were party to 97 live contested trade mark cases, which amounts to 5% of all live contested trade mark cases in the UK.

Legislation

6. 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."

7. The law in relation to section 3(6) of the Act ("bad faith") was summarised by Arnold J. in *Red Bull GmbH v Sun Mark Limited and Sea Air & Land Forwarding Limited* [2012] EWHC 1929 (Ch), as follows:

“130. A number of general principles concerning bad faith for the purposes of section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation are now fairly well established. (For a helpful discussion of many of these points, see N.M. Dawson, "Bad faith in European trade mark law" [2011] IPQ 229.)

131. First, the relevant date for assessing whether an application to register a trade mark was made in bad faith is the application date: see Case C- 529/07 *Chocoladenfabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH* [2009] ECR I-4893 at [35].

132. Secondly, although the relevant date is the application date, later evidence is relevant if it casts light backwards on the position as at the application date: see *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2008] EWHC 3032 (Ch), [2009] RPC 9 at [167] and cf. Case C-259/02 *La Mer Technology Inc v Laboratoires Goemar SA* [2004] ECR I-1159 at [31] and Case C-192/03 *Alcon Inc v OHIM* [2004] ECR I-8993 at [41].

133. Thirdly, a person is presumed to have acted in good faith unless the contrary is proved. An allegation of bad faith is a serious allegation which must be distinctly proved. The standard of proof is on the balance of probabilities but cogent evidence is required due to the seriousness of the allegation. It is not enough to prove facts which are also consistent with good faith: see *BRUTT Trade Marks* [2007] RPC 19 at [29], *von Rossum v Heinrich Mack Nachf. GmbH & Co KG* (Case R 336/207-2, OHIM Second Board of Appeal, 13 November 2007) at [22] and *Funke Kunststoffe GmbH v Astral Property Pty Ltd* (Case R 1621/2006-4, OHIM Fourth Board of Appeal, 21 December 2009) at [22].

134. Fourthly, bad faith includes not only dishonesty, but also "some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined": see *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999]

RPC 367 at 379 and *DAAWAT Trade Mark* (Case C000659037/1, OHIM Cancellation Division, 28 June 2004) at [8].

135. Fifthly, section 3(6) of the 1994 Act, Article 3(2)(d) of the Directive and Article 52(1)(b) of the Regulation are intended to prevent abuse of the trade mark system: see *Melly's Trade Mark Application* [2008] RPC 20 at [51] and *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) at [21]. As the case law makes clear, there are two main classes of abuse. The first concerns abuse vis-à-vis the relevant office, for example where the applicant knowingly supplies untrue or misleading information in support of his application; and the second concerns abuse vis-à-vis third parties: see *Cipriani* at [185].

136. Sixthly, in order to determine whether the applicant acted in bad faith, the tribunal must make an overall assessment, taking into account all the factors relevant to the particular case: see *Lindt v Hauswirth* at [37].

137. Seventhly, the tribunal must first ascertain what the defendant knew about the matters in question and then decide whether, in the light of that knowledge, the defendant's conduct is dishonest (or otherwise falls short of the standards of acceptable commercial behaviour) judged by ordinary standards of honest people. The applicant's own standards of honesty (or acceptable commercial behaviour) are irrelevant to the enquiry: see *AJIT WEEKLY Trade Mark* [2006] RPC 25 at [35]-[41], *GERSON Trade Mark* (Case R 916/2004-1, OHIM First Board of Appeal, 4 June 2009) at [53] and *Campbell v Hughes* [2011] RPC 21 at [36].

138. Eighthly, consideration must be given to the applicant's intention. As the CJEU stated in *Lindt v Hauswirth*:

"41. ... in order to determine whether there was bad faith, consideration must also be given to the applicant's intention at the time when he files the application for registration.

42. It must be observed in that regard that, as the Advocate General states in point 58 of her Opinion, the applicant's intention at the relevant time is a subjective factor which must be determined by reference to the objective circumstances of the particular case.

43. Accordingly, the intention to prevent a third party from marketing a product may, in certain circumstances, be an element of bad faith on the part of the applicant.

44. That is in particular the case when it becomes apparent, subsequently, that the applicant applied for registration of a sign as a Community trade mark without intending to use it, his sole objective being to prevent a third party from entering the market.

45. In such a case, the mark does not fulfil its essential function, namely that of ensuring that the consumer or end-user can identify the origin of the product or service concerned by allowing him to distinguish that product or service from those of different origin, without any confusion (see, inter alia, Joined Cases C-456/01 P and C-457/01 P *Henkel v OHIM* [2004] ECR I-5089, paragraph 48)."

8. The applicant is Almond International Limited, not Mr Gleissner. However, he is the sole director and therefore in control of, the applicant. As such, Mr Gleissner's motives can be attributed to the applicant¹.
9. In its counterstatement, the applicant has argued that there is no requirement to use the applied for trade mark until one day before the expiry of the five year period following registration, after which the registration becomes vulnerable to an attack on the grounds of non-use. It is considered that this submission is wrong in law and merges two discreet issues, namely the five year grace period following registration for the commencement of actual use and the declaration pursuant to Section 32(3) that, at the date of application,

¹ See decision BL O/013/15 *Joseph Yy v Liaoning Light Industrial Products Import and Export Corporation*

the mark is in use in relation to the goods and services or that there is bona fide intention to use it. It is clear from the case law displayed above that the relevant date for assessing the intention of the applicant is the date of application. By signing the application form, the applicant confirmed that the mark was being used or that there was a bona fide intention that it would be.

10. In *Ferrero SpA's Trade Marks* [2004] RPC 29, Mr David Kitchin QC (as he then was), as the Appointed Person, upheld a finding that the proprietor had applied to register trade marks in bad faith on the basis of unanswered evidence that it had been 'stockpiling' unused marks. He said:

"I have also come to the conclusion that the hearing officer was entitled to find the allegation established on the basis of the materials before him. By the date of Mr Rickard's declaration the registered proprietors had filed in excess of 60 applications to register trade marks including the word KINDER but had only ever used six. The number of applications had increased to some 68 by the date of Ms Bucks' witness statement. The large number of unused applications and the period of time over which the applications had been made led Mr Rickard to conclude that the registered proprietors were filing applications without any real and effective intention to use them. The evidence of Mr Rickard was never answered by the registered proprietors. No attempt was made to justify or explain the filing policy."

11. It is noted that the evidence filed is, dated after the relevant date in these proceedings, namely 12th August 2016. However, this is not fatal to the opponent as later evidence can be considered if it casts light on the position earlier. The press articles relied upon indicate that these are merely the latest chapters in an investigation that has been ongoing for some time. Further, bearing in mind some of the information that has come to light following the relevant date (and the decision of the UK IPO of BL O/442/17) it is potentially important, if viewed as part of a filing strategy, as to the motivations of the applicant in filing the trade mark application, the subject of these proceedings.

12. As this decision demonstrates, once a prima facie case has been established, it is for the applicant to answer the complaint. I also take into account the guidance in *Copernicus-Trademarks v EUIPO (LUCEO)* Case T-82/14, where the General Court found that the filing of EU trade marks for the purposes of blocking applications by third parties, and without an intention to use the mark, was an act of bad faith.
13. The evidence of the opponent indicate that Mr Gleissner has set up multiple shelf companies. Using these companies, he has also acquired a significant number of trade marks. There is direct evidence of this from the extracts provided in the evidence. There are also the press articles, which go further and provide commentary on the motivations of Mr Gleissner as well as an account of a decision of the UK IPO, upheld on appeal in relation to an application for ALEXANDER. It should be noted that the press articles are hearsay evidence, though this does not mean they have no weight at all. It is noted that the opponent did not include a copy of the decision in ALEXANDER and even if it had done so, the findings in that decision cannot blindly be applied here.
14. Having said that, the applicant in these proceedings has filed no evidence in response to any of the evidence filed by the opponent nor has it advanced any submissions in rebuttal. There is a bare denial of the stockpiling allegation in the counterstatement but no explanation as to why it chose to file an application for this particular trade mark. Further, there is no indication at all that it intended (at the time of application) to use its mark.
15. Bearing in mind all of the aforesaid, I have little hesitation in concluding that the opponent has made out a prima facie case, to which there has been no rebuttal from the applicant. Consequently, the opposition based upon Section 3(6) succeeds.

Final Remarks

16. As the opposition is successful in its entirety based upon Section 3(6), there is no need to consider the remaining ground. This is because it is difficult to see how it materially improves the opponent's position.

COSTS

17. The opponent has been successful and is entitled to a contribution towards its costs. In the circumstances I award the opponent the sum of £1250 as a contribution towards the cost of the proceedings. The sum is calculated as follows:

Notice of opposition and statement of grounds (and official fee) - £500

Preparation of evidence - £750

TOTAL - £1250

18. I therefore order Almond International Limited to pay Almond Jewelers Inc the sum of £1250. The above sum should be paid within fourteen days of the expiry of the appeal period or within fourteen days of the final determination of this case if any appeal against this decision is unsuccessful.

Dated this 27th day of September 2018

Louise White

For the Registrar,

The Comptroller-General