

O-015-17

TRADE MARKS ACT 1994

**68 APPLICATIONS BY ENTITIES UNDER THE CONTROL
OF MR MICHAEL GLEISSNER
TO REVOKE 68 TRADE MARKS OWNED BY APPLE INC. FOR NON-USE**

AND

**APPLE'S APPLICATION FOR THE REVOCATION APPLICATIONS
TO BE STRUCK OUT AS AN ABUSE OF PROCESS**

The issue

1. Between October and 13th December 2016, Sherlock Systems C.V., American Franchise Marketing Ltd and Fashion International Ltd, filed 68 applications to revoke trade marks owned by Apple Inc. (“Apple”) for non-use. Some of these are well known trade marks such as iPHONE, iTUNES and APPLE itself. A complete list of the marks is set out in annex A.

The applicants and Mr Gleissner

2. Sherlock Systems C.V. (“Sherlock”) was incorporated in the Netherlands on 11th July 2016. It is a limited partnership. There is no evidence that it has started trading. American Franchise Marketing Ltd (“AFML”) was incorporated in the UK on 11th February 2014. According to the latest accounts filed at Companies House, the company was dormant at 28th February 2016 with net assets of £1. Fashion International Ltd (“FIL”) is also a UK company. It was incorporated on 24th March 2016 with 500 unpaid shares. There is no evidence that this company has started trading either.

3. Apple says that all three entities are controlled by Mr Michael Gleissner who has an address in Belgium. Mr Gleissner does not dispute this. Indeed he represented all three applicants at the case management conferences (“CMCs”) described below and has offered to be joined as a joint applicant in each of the 68 applications for revocation.

Apple’s claims

4. Apple claims that the applications are an abuse of process and should be struck out for one or both of the following reasons. Firstly, Apple says that the applications were filed for a collateral and improper purpose, namely as a “tit for tat” response to Apple’s position in revocation proceedings in Singapore and elsewhere, where it is continuing to resist an application by another company associated with Mr Gleissner (called Bigfoot Internet Ventures Pte. Ltd) to revoke the trade mark SHERLOCK for non-use. According to Apple, the current applications are an attempt to coerce it into giving up the SHERLOCK mark in these other jurisdictions. Secondly, Apple says that the sheer scale of the applications is such that the cost of defending them is out of all proportion to any likely legitimate benefit to the applicants.

5. A CMC was held on 29th November 2016 to decide upon the management of the applications for revocation filed up until that time. Mr Janni Riordan took part as counsel for Apple, instructed by Locke Lord LLP. Mr Gleissner represented the applicants.

6. Prior to that CMC, Apple filed two witness statements. One from Mr Thomas La Perle of its legal department and one from Mr John Olsen of Locke Lord, its UK legal representatives. Mr La Perle's statement set out the basis on which Apple estimated that it would take 8 months diligent work for Apple to assemble the evidence required to defend the first 30 applications for revocation.

7. Mr Olsen's statement made the following points:

- In addition to the UK applications for revocation (and the revocation proceedings in Singapore), companies under Mr Gleissner's control had earlier filed applications at the EU IPO to revoke 120 of Apple's EU trade marks for non-use.
- The same undertakings had filed 21 applications at the Benelux IPO to register some of these trade marks in their own name(s).
- Mr Gleissner owns or controls over 1000 UK companies as well as many more in the USA, Belgium, Latvia, Italy, China and elsewhere. Many of the UK companies are linked to the same serviced office address in Regent Street, London.
- Mr Gleissner is the owner of over 900 domain names. According to Mr Olsen, few, if any, of these are used for legitimate websites.
- On the basis of the contents of an article published on the IP blog site called IPKAT, Mr Olsen believed that Mr Gleissner is a 'trade mark troll', i.e. an individual who abuses the trade mark system by filing oppositions and revocation actions without legitimate commercial grounds for doing so, and for the collateral purpose of extracting revenue from trade mark applicants and proprietors.

8. Mr Riordan pursued these points at the first CMC as well as Apple's application for an order for payment of security for costs in the event that the applications were allowed to proceed.

9. The applicants' skeleton argument for the first CMC made the following points:

- The applicants are part of a portfolio of companies linked to Bigfoot Ventures LLC of New York, a *“venture capital investor and incubator involved in several start-ups”*.
- Sherlock Systems C.V. had intended to launch a mobile phone application under the brand SHERLOCK, but had been prevented from doing so because Apple held several trade mark registrations for this mark.
- Sherlock initiated revocation proceedings at the EU IPO to cancel Apple’s registration of SHERLOCK for non-use.
- The application for revocation was successful, both at first instance and on appeal.
- Apple is abusing the trade mark system by routinely registering marks that it does not intend to use, or at least use in relation to the goods/services for which they are registered, e.g. ‘ipod’ is registered as an EU trade mark for, inter alia, chemicals for use in industry, pasta makers, live animals and medical services.
- By contrast to businesses such as L’Oreal, Mr Gleissner holds *“fewer than 3000 trade marks.”*
- The legislation has not limited, nor made conditional, the right of third parties to challenge the use of registered marks.

Directions from the first CMC

10. Following the first CMC on 29th November 2016, I issued these directions to Mr Gleissner as the representative of the applicants:

“5. Having listened to the arguments and read the papers, some of which arrived only just before the CMC, I took the view that it was inappropriate for me to rule on Apple’s applications today. Instead you should be given (by close of play on 9th December) the opportunity to:

- (i) Provide a witness statement setting out any information that you wish me to take into account in relation to Apple’s application for the revocation applications to be struck out as an abuse of process;
- (ii) Using the same means, provide any information that you wish me to take into account in assessing the merits of Apple’s application for security

for costs, particularly the allegation that the applicants do not have the assets or resources to meet the likely level of normal scale costs for the multiple proceedings, if Apple is successful;

(iii) Indicate if you wish to amend the applications so as to require proof of use only for those trade marks and/or goods/services for which use is not apparent to the applicants.”

The applicants’ response

11. Mr Gleissner filed a document entitled ‘Response to Arguments’ dated 9th December 2016’. I note that, contrary to my directions, this was not a witness statement because, apart from the title, it did not include a statement of truth. The following points were made in this document:

- It was denied that the applicants, or Mr Gleissner, were ‘trade mark trolls’.
- It was denied that they had ever approached Apple, or anyone else, in any shape or form, with the intention of seeking compensation.
- The applicants denied that they had targeted Apple. They claimed that they reviewed any registered trade marks that they may be interested in using and exercised their right to verify the use of such marks through the processes set out in the relevant laws.
- In support of the previous point, the applicants provided details of 12 applications filed at the EU IPO between 12th December 2015 and 28th November 2016 by TV Brand Holdings C.V., Fashion Television International Ltd, Trademarkers Merkenbureau C.V., AFML and FIL, to revoke 12 EU trade marks in the name of third parties for non-use.¹
- The applicants claimed that the applications filed at the Benelux IPO to register some of the attacked EU trade marks in their names (or those of associated companies) were filed for “*strategic reasons*”, i.e. to obtain an international priority right that could be used to thwart any attempt by Apple to circumvent the applications for revocation by filing new applications to re-register unused marks.
- The applicants denied that it would unduly burden Apple to show use of the marks covered by the applications for revocation. It was pointed out that

¹ I note that only 4 of these applications were filed by the applicants in these proceedings

proof of use is routinely required to obtain a registration in some countries, including in Apple's home territory, the USA.

- The applicants provided information about Apple's finances drawn from publicly available data in the USA. It was said that this showed Apple was more than capable of dealing with the cost of these proceedings. It was therefore denied that there were any grounds for requiring security for costs.
- The applicants were prepared to limit the scope of the applications for revocation of 8 of Apple's marks. For example, the application to revoke trade mark 2460664, IPHONE, for non-use would be limited to exclude mobile phones and analogous terms (but not, I note, parts and accessories for such goods).

Further evidence from Apple

12. Apple filed a second witness statement from Mr Olsen. It was dated 9th December 2016, the same date as the applicants' 'Response to Arguments'. Despite this it appears to have been prepared with sight of that document and purported to reply to matters raised in it, as well as to points made by Mr Gleissner at the CMC on 29th November 2016.

13. I note the following claims:

- The application made to the Singapore IPO to revoke Apple's registration of SHERLOCK in that jurisdiction was signed by Mr Gleissner himself. So far as Mr Olsen was aware, the application was still pending.
- On 30th September 2014, another company under Mr Gleissner's control, Trademarkers N.V., applied to revoke Apple's registration of SHERLOCK as an EU trade mark.
- The application for revocation of the EU trade mark was successful at first instance but, contrary to Mr Gleissner's account, Apple's appeal against that decision is still pending.
- A company called Sherlock Systems LLC has applied to cancel Apple's registration of SHERLOCK in the USA, but that application is still pending.
- Applications by companies controlled by Mr Gleissner have been made to register SHERLOCK or SHERLOCK related marks, such as

SHERLOCK.COM, in the UK, Portugal, USA, and a number of other territories.

- The applicants' applications at the Benelux IPO cover, in general, the same goods/services as Apple's corresponding EU trade mark registrations, which are attacked for non-use.
- Companies called KNR Technologies Ltd and EBB Development Ltd, which Apple believes to be under Mr Gleissner's control, made applications in Portugal in November 2016 to register APPLE, IPAD and ITUNES.
- Mr Olsen was unaware of any applications by Mr Gleissner, or his companies, to revoke or register Apple's existing trade marks filed prior to Apple's defence of its SHERLOCK trade mark in Singapore and the USA, and its appeal against the revocation of the SHERLOCK mark in the proceedings at the EU IPO.
- There is no evidence that the applicants, or any other business under Mr Gleissner's control, has launched, or is preparing to launch, a mobile phone application.
- Companies controlled by Mr Gleissner have filed over 250 applications in the USA to register marks identical to established brands. Two examples are cited: BAIDU and THE HOME DEPOT.
- Companies controlled by Mr Gleissner have filed applications in Portugal and at the Benelux IPO to register 'EU IPO' as a trade mark for a wide range of goods and services. The former was filed by a company called EUIPO International Ltd, which uses the same address in Regent Street as the applicants in these proceedings.
- The Apple marks under challenge, such as MACINTOSH, have acquired a valuable goodwill. A "*significant*" purpose of the revocation applications is to appropriate that goodwill by revoking Apple's marks and re-registering them in the name of companies under Mr Gleissner's control.
- Another collateral purpose of the applications is reverse domain name hijacking. This tactic involves filing a trade mark application and simultaneously applying to revoke earlier trade marks which could have been used to oppose the application. Once registered, the new trade mark is used as the basis of a UDRP complaint against the domain name corresponding to the revoked trade mark. After the domain name has been

transferred to the owner of the new trade mark as a result of the complaint, it is re-sold for a profit.

- Three such UDRP complaints have been made by entities controlled by Mr Gleissner.²
- In *Compania Mexicana de Aviacion, S.A. de C.V. v Bigfoot Ventures Ltd* (one of Mr Gleissner's companies), a UDRP panel found (in 2008) that the respondent had obtained the domain name vtp.com in bad faith. According to the panel's findings, VTP was a trade mark of a Mexican airline which had been in use for 75 years. The respondent was using the domain name to direct traffic to a parking website which contained links to travel offers from competitors of the complainant. It also contained a link to another site which offered the domain name for sale for \$148k. The panel directed that the domain name should be transferred to the complainant.
- According to an article published on worldtrademarkreview.com on 18th November 2016, a lawyer for Bigfoot Entertainment called Marco Notarnicola described one of his job responsibilities on LinkedIn as "*manipulating trademarks to reverse hijack domain names through UDRP*", although this comment was subsequently removed.
- The outcome of negotiations about Apple's disputed Singapore registration of SHERLOCK was that Mr Gleissner offered to purchase the trade mark for \$1k.
- According to public records, Mr Gleissner has sold 5 of the most valuable domain names for a total of over \$1m.
- Apple should be granted security for costs to the sum of £482k. This represented maximum scale costs of £6700, plus £500 to cover official fees, for each of the (then) 67 applications for revocation.

The second CMC on 13th December 2016

14. A second CMC took place on 13th December. The parties' were represented as before. As Apple had served a second witness statement only days before the CMC, I allowed Mr Gleissner until 24th December to file a witness statement in response.

² I note that these were either withdrawn or rejected by the UDRP panels.

The applicants' response to Apple's additional evidence

15. Mr Gleissner filed a witness statement dated 24th December 2016. The statement confirmed that Mr Gleissner is:

"...a principal of several investment companies under the brand "Bigfoot Ventures" such as New-York based Bigfoot Ventures LLC. and Singapore-based Bigfoot Internet Ventures Pte. Ltd. and have made venture capital investments in excess of £50 million to date, mostly in technology startup companies."

16. He says that:

"2. Many of those startups have struggled with their choice of a company and/or brand name for their products and services, especially as technology has changed the world, and such companies must ensure that any brand they chose has not only protection in regional markets, but because of the nature of the Internet, is available for use worldwide.

3. Consumers and potential customers today expect nowadays to find a web presence of relevant companies using their brand name and the extension .com, such domain names have become scarce and due to the low costs of holding on to a domain name, a large number of individuals and companies block existing .com names as well as their national equivalents (i.e. .co.uk, .de, .fr etc.)

4. Even after a domain name can be secured, which usually requires lengthy negotiations and payment to the owners of existing domains, adverse trademarks often pose a threat to the worldwide use of a brand.

5. To address this vital problem that is not only of paramount importance of new startup companies, but often beyond the means and experience of the entrepreneurs, Bigfoot Ventures has established an Intellectual Property Group with the objective to secure rights to brands in form of domain names and trademarks that can be used for startups."

17. This is achieved by filing applications for the registration of marks and by challenging registered marks that are no longer in use. Mr Gleissner says that:

“12. I control directly and indirectly a portfolio of 15,000+ domain names, which Bigfoot Ventures LLC. and related companies have purchases for an excess of £10 million.

13. Out of these 15,000+ domain names, we have decided to sell 19 domain names in 2015, and 70 domain names in 2016, mainly due to the fact that a third party had approached us and proactively inquired about purchasing said domain names, and our conclusion that the brands related to the domain names could not likely be used due to the amount of potentially adversary trademark claims.”

18. As regards Apple’s allegations that he is a ‘trade mark troll’, Mr Gleissner repeats (this time in a witness statement) that:

“I have never demanded or suggested as a way of settlement, directly or through companies under my control, any payments related to any cancellation actions of trademarks.”

19. As regards the background to the revocation applications, Mr Gleissner states that:

“14. I am not a user of Apple's products, but those I asked personally about "Sherlock" confirmed that Apple changed the name of the program that used to be called "Sherlock" into "Spotlight", and none of the people I asked had any information of a different programme or service offered by Apple under the brand "Sherlock". Apple's apparent attempt to "cling on" to a trademark "Sherlock" despite the apparent abandonment of such mark prompted me to investigate Apple's other trademark registrations.

15. This prompted me personally to look into all trademark registrations that Apple holds in the European Union and the United Kingdom, reviewing the often wide scope of classes and goods and services claimed in such registrations, the scope and extend of which seemed excessive and abusive to me.

16. As a result, I decided to initiate revocation proceedings, as it is my right under the rules of the intellectual property offices who specifically leave the enforcement of the general use requirement up to the marketplace by allowing a third party challenge of a registered trademark based on the lack

of use on a case-by-case basis, and dependent on the payment of a fee, instead of the trademark office committing resources to supervise and enforce use requirements.”

20. Finally, I note that Mr Gleissner denies that:

“I have and never had any intentions or expectations of "coercing" Apple into a settlement related to other cases.”

The tribunal’s power to strike out the applications as an abuse of process

21. Mr Riordan submitted that Rule 62 of the Trade Mark Rules 2008, gave the registrar a power to strike out the applications as an abuse of process. The relevant parts of the Rule are as follows.

“62.—(1) Except where the Act or these Rules otherwise provide, the registrar may give such directions as to the management of any proceedings as the registrar thinks fit, and in particular may—

(f) stay the whole, or any part, of the proceedings either generally or until a specified date or event”

22. According to Mr Riordan, the registrar’s wide ranging power to manage the proceedings includes the power to strike them out. In any event, granting a permanent stay of proceedings (which is clearly within the Rule) is equivalent to a strike out. If there was any doubt, Mr Riordan submitted that the words of the Rule should be interpreted so as to give effect to Apple’s right to property under the Human Rights Act 2008 and/or the requirements of the EU Enforcement Directive³ that measures, procedures and remedies for the enforcement of intellectual property rights *“shall be applied in such a manner as to avoid the creation of barriers to legitimate trade and to provide safeguards against abuse”*.

23. In support of these points, Mr Riordan drew my attention to a number of decisions of the courts and Appointed Persons which indicated that, in principle, the registrar has the power to strike out proceedings as an abuse of process. It is

³ Directive 2004/48/EC, particularly Article 3(2)

sufficient to recall that in *T-Mobile (UK) Ltd v O2 Holdings Ltd*,⁴ Ms Amanda Michaels as the Appointed Person said that:

“Making an application under section 47 [of the TMA] is not subject to any statutory preconditions. If an applicant is to be denied his statutory right to a fair hearing of such an application, bearing in mind the Court/Tribunal’s obligations under Article 6 ECHR, that denial must flow from a finding that the particular applicant is — on the particular facts of the case — exercising his rights under section 47 in an improper and abusive manner.”

24. This was in 2007 and therefore before the coming into force of the current Rules. However, even prior to the 2008 Rules it was established that the registrar has an inherent power to regulate his own procedures, provided that in doing so he neither created a substantive jurisdiction where none exists, nor exercises that power in a manner inconsistent with the express provisions conferring jurisdiction on the registrar.⁵ In other words, the tribunal has an inherent power to fill gaps where the statutory procedural rules are silent, provided that is necessary and it is proper to do so.

25. Consequently, I am satisfied that the registrar has the power, in principle, to strike out the current revocation proceedings as an abuse of process. Indeed at the second CMC Mr Gleissner appeared to accept as much. Consequently, it is not necessary to decide whether that power stems from a purposive interpretation of Rule 62 or the registrar’s inherent power to regulate his own procedures. If necessary, I would have relied upon the latter.

The cost of defending the applications is out of proportion to any legitimate commercial benefit to the applicants

26. Mr Riordan relied upon *Summers v Fairclough Homes Ltd*⁶, *Ashley v Chief Constable of Sussex Police*⁷ and, particularly, *Jameel v Dow Jones & Co Inc*.⁸ as support for his submission that the applications should be struck out as an abuse of process because the cost to Apple of defending the applications was out of all

⁴ BL O/364/07

⁵ See *Pharmedica’s Trade Mark Application* [2000] RPC 536 at 541.

⁶ [2012] 1 WLR 2004

⁷ [2008] 1 AC 962, 991

⁸ [2005] QB 946 at 54

proportion to any legitimate commercial benefit to the applicants. He reminded me that in the latter case Lord Phillips MR said:

“An abuse of process is of concern not merely to the parties but to the court. It is no longer the role of the court simply to provide a level playing field and to referee whatever game the parties choose to play on it. The court is concerned to ensure that judicial and court resources are appropriately and proportionately used in accordance with the requirements of justice.”

27. The *Jameel* principle has been held to apply to intellectual property cases⁹ where the likely cost of dealing with claims for infringement was considered to be disproportionate to the damages claimed.

28. Mr Riordan submitted that it was necessary for the registrar to give effect to the *Jameel* principle in this case so as to protect Apple’s right to property under Article 1 of Protocol 1 to the European Convention on Human Rights, which UK courts and tribunals are required to uphold under the Human Rights Act 1998. In this connection, Mr Riordan pointed out that the applicants have not shown any commercial interest in trading under any of the marks covered by the UK applications for revocation, none of which are for the mark SHERLOCK. Further, given Apple’s goodwill and reputation under the UK marks, it was inconceivable that the applicants could trade under them irrespective of the goods or services concerned.

29. For his part, Mr Gleissner emphasised that s.46 of the Act includes no conditions for making applications to revoke trade marks for non-use. The relevant part of the section states that:

“(4) An application for revocation may be made by any person, and may be made either to the registrar or to the court, except that -
(a) if proceedings concerning the trade mark in question are pending in the court, the application must be made to the court; and
(b) if in any other case the application is made to the registrar, he may at any stage of the proceedings refer the application to the court.

⁹ See *Lilley v DMG Evants Ltd* [2014] EWHC (IPEC) and *Sullivan v Bristol Film Studios Ltd* [2012] EWCA Civ 570.

(5) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.”

30. Mr Gleissner accepted that some of the trade marks covered by the applications were known to be used in relation to certain goods or services, such as iPhone for mobile phones. However, he submitted that even these marks were registered for many more goods and services than those for which they were known to be used.

31. According to Mr Gleissner, Apple’s strategy of registering marks for a wide range of goods/services and then not using the marks, or using them only for a subset of the registered goods/services, created a major problem for businesses looking for a trade mark that was available for international trade. For example, Mr Gleissner believed that Apple had ceased use of the SHERLOCK mark some years ago, when it renamed a search software tool as SPOTLIGHT. However, the continued registration of SHERLOCK by Apple had caused his business inconvenience. It was therefore important that large companies like Apple were not protected from non-use revocation proceedings under the guise of abuse of process.

32. The Act (and the underlying EU Directive) requires that registered trade marks must be put to genuine use or else become subject to revocation for non-use. There is no requirement to show use of a mark at the time of registration, but any person is entitled to make an application to revoke an unused mark. This is one of the checks and balances in the UK and EU systems for the registration of trade marks. Other countries have adopted different procedures to achieve the same objective. Notably, the procedure in the USA requires trade mark applicants to show use of the marks in relation to the goods/services listed in their applications, prior to registration. I therefore accept Mr Gleissner’s submission that the tribunal should be slow to shield trade mark owners from applications for revocation for non-use. This is because such applications may serve the public interest in removing unused trade marks from the register, thereby potentially freeing them up for use by undertakings who have a real commercial interest in trading under the marks.

33. Whether Apple could use its common law rights, or its rights under s.10(2) or (3) of the Act to prevent another undertaking from using the same mark in relation to similar, or even dissimilar, goods/services to those which Apple's mark is actually used is irrelevant. This is because the exercise of any such rights would depend on Apple showing there was a misrepresentation and damage to its goodwill, as required by the law of passing off, or that the conditions set out in s.10(2) or (3) of the Act are satisfied. Therefore, the existence of such rights as Apple may be able to assert against third parties on the basis of the use it has actually made of its marks in no way deprives the revocation applications of purpose. However, I accept that the applicants have not claimed or shown any plans to trade under any of the marks covered by the UK applications for revocation. So in that sense the applicants do not appear to have any commercial interest in the marks.

34. The equivalent provision of the previous Trade Marks Act¹⁰ required an applicant for what was then called 'rectification' of the register, to show that he or she was a "*person aggrieved*" by the registration of the trade mark. I am concerned that applying the *Jameel* principle in the manner advocated by Apple would, in effect, reintroduce a 'sufficient interest' type requirement. That would appear to be contrary to the plain wording of s.46(4) of the current Act. Mr Riordan accepted that the reintroduction of a 'sufficient interest' type requirement would be inappropriate. He sought to persuade me that applying the *Jameel* principle in the manner advocated by Apple would not lead to such a result. He submitted that it was a matter of degree: a large number of applications made by someone without a commercial interest in the trade marks could be an abuse, whereas a single such application might not.

35. In the case of an application made under s.46 of the Act, which does not require the applicant to have any commercial interest in the matter, I find that applying the *Jameel* principle in the manner advocated by Apple would be artificial and inappropriate. Where the applicant has no commercial interest in the mark, it would always lead to the result that the cost of defending the proceedings would be disproportionate to the legitimate commercial benefit to the applicant. It is true that the number of applications filed against the marks of a single proprietor serves

¹⁰ Section 26(1) of the Trade Marks Act 1938

to magnify the disproportionality between the cost of defending the marks and the lack of commercial benefit to the applicant, but this disproportionality would be present even in the very first such application. Further, although it is true that the 'benefit' in the IP cases that have been rejected by the courts on the application of the *Jameel* principle was the commercial benefit to the claimants, this was determined by the nature of the proceedings and the relief sought. In the case of an application for revocation of a trade mark for non-use, I am not persuaded that the 'benefit' side of the equation should be limited to the commercial benefit to the applicant. The removal of an unused mark from the register is itself a beneficial effect of an application for revocation. The removal of 68 unused marks would increase this benefit, not reduce it. Accordingly, if as Mr Riordan submitted, the essential test is simply "*whether the game is worth the candle*", my answer would be 'yes'.

36. I do not consider that the Human Rights Act has any bearing on this matter. This is because Apple's right to property is not absolute. The continuation of trade mark rights is conditional on the marks being used. Therefore, using the procedures set out in the legislation in order to challenge trade mark registrations for non-use in no way infringes Apple's right to property.

37. I do not accept that the EU Enforcement Directive has any bearing on the matter either. It is concerned with measures, procedures and remedies for the enforcement of intellectual property rights. By contrast, revocation proceedings are concerned with establishing the [legitimate] existence of such rights. Even if that Directive applies to revocation proceedings, it cannot possibly make it an abuse simply to use a statutory procedure to revoke trade marks for non-use.

38. Consequently, if the applicants are simply using the established procedures to challenge Apple's trade marks, the mere fact that the applicants have not shown that there is any commercial benefit to them in revoking the marks and/or that there are 68 such applications, is not sufficient to justify striking out the applications as an abuse of process.

Collateral purpose

39. Mr Riordan relied upon *Grovit v Doctor*¹¹ and *Goldsmith v Sperrings*¹² as support for the proposition that bringing proceedings for an improper collateral purpose amounts to an abuse of process. I find the latter case more helpful and note that in that case Lord Bridge stated the law to be as follows.

“Mr. Comyn relied, in support of the submissions which I have summarised in paragraphs 1 and 2 above, on the dictum of Lord Evershed M.R. in *In re Majory* [1955] Ch. 600 , 623:

“The so-called ‘rule’ in bankruptcy is, in truth, no more than an application of a more general rule that court proceedings may not be used or threatened for the purpose of obtaining for the person so using or threatening them some collateral advantage to himself, and not for the purpose for which such proceedings are properly designed and exist; and a party so using or threatening proceedings will be liable to be held guilty of abusing the process of the court and therefore disqualified from invoking the powers of the court by proceedings he has abused.”

For the purpose of Lord Evershed's general rule, what is meant by a “collateral advantage”? The phrase manifestly cannot embrace every advantage sought or obtained by a litigant which it is beyond the court's power to grant him. Actions are settled quite properly every day on terms which a court could not itself impose upon an unwilling defendant. An apology in libel, an agreement to adhere to a contract of which the court could not order specific performance, an agreement after obstruction of an existing right of way to grant an alternative right of way over the defendant's land — these are a few obvious examples of such proper settlements. In my judgment, one can certainly go so far as to say that when a litigant sues to redress a grievance no object which he may seek to obtain can be condemned as a collateral advantage if it is reasonably related to the provision of some form of redress for that grievance. On the other hand, if it can be shown that a litigant is pursuing an ulterior purpose unrelated to the

¹¹ [1997] 1 WLR 640

¹² [1997] 1 WLR 478

subject matter of the litigation and that, but for his ulterior purpose, he would not have commenced proceedings at all, that is an abuse of process. These two cases are plain; but there is, I think, a difficult area in between. What if a litigant with a genuine cause of action, which he would wish to pursue in any event, can be shown also to have an ulterior purpose in view as a desired byproduct of the litigation? Can he on that ground be debarred from proceeding? I very much doubt it. But on the view I take of the facts in this case the question does not arise and it is neither necessary nor desirable to try to lay down a precise criterion in the abstract.”

40. Apple has identified a number of potential collateral purposes behind the applications. Firstly, it is suggested that a purpose of the revocation applications is to extract revenue from Apple. Mr Gleissner denies the applicants have ever approached Apple, or anyone else, in any shape or form, with an intention to seek compensation. There is no evidence to the contrary. The single example of communications between the parties where money was mentioned, was Mr Gleissner’s offer to purchase the SHERLOCK mark from Apple. I note that in that instance Mr Gleissner offered to pay Apple \$1000. I recognise that a well advised party may not have to positively seek payment in order to receive it. However, in my judgment, the evidence in this case is far too flimsy to justify a finding that the applications were filed in order to extract revenue from Apple.

41. Secondly, it is suggested that the revocation applications are a means of acquiring Apple’s valuable trade marks and/or the domain names in which they appear. I see a little more credibility in this claim. It appears that Mr Gleissner and his businesses have a track record of trading in domain names. The VTP case mentioned above appears to be the most telling example of illegitimate ownership of, and a linked offer to sell, a domain name. Further, I have noted the published report indicating that one of Mr Gleissner’s associates at one time stated on his social media site that his job entailed reverse domain name hijacking. Additionally, the filing by companies said to be under the control of Mr Gleissner of trade mark applications in Portugal, the Benelux and the USA to register well known marks, including some of Apple’s, as well as BAIDU, HOME DEPOT and EUIPO, strongly suggests that they were filed for some improper ulterior purpose.

42. Mr Gleissner pointed out at the second CMC that the applications filed at the Benelux and Portuguese IPOs covered different goods and services to those for which Apple and the EUIPO are widely known. That may be literally true, but making applications to register APPLE for, inter alia, “interactive entertainment software”, IPAD for, inter alia, “computer software” and EUIPO for, inter alia, “publication of electronic books and journals” points strongly towards an improper motive, or at least a persistent pattern of using the trade mark system for purposes other than that for which it is intended. Mr Gleissner sought to explain the application to register BAIDU in the USA on the basis that there were two entities called BAIDU, one of which was a Netherlands-based company with some connection to him (the other being a Chinese business of some international repute). Thus the application to register BAIDU in the USA was said to be just a normal commercial step. He offered no explanation for the application to register HOME DEPOT, which I understand is well known in the USA.

43. However, the relevant question is not whether Mr Gleissner and his many companies filed the “fewer than 3000 trade marks” and 15000 domain names he mentions in his written submissions/evidence for collateral and improper purpose(s), or whether he has incorporated thousands of companies around the world, filed trade mark oppositions and revocations or UDRP complaints, for the same illegitimate purpose. The specific question I am concerned with is at this point in my decision is whether the 68 revocation applications before me were filed as part of a scheme to appropriate Apple’s valuable trade marks and/or domain names.

44. When I asked Mr Riordan to explain how a scheme to obtain Apple’s domain names could succeed if Apple’s marks were valid, he could not. I cannot see how it could succeed. Leaving aside the goodwill and reputation associated with some of Apple’s marks, and even if the registrations of the marks were partially revoked, Apple’s registrations would be senior in time to any corresponding trade mark applications filed by Mr Gleissner. Further, there could be no question of Apple having registered the domain names related to its trade marks in bad faith. The absence of any credible theory as to how the current revocation applications could lead to the result that Apple purports to be concerned about therefore leads me to believe that the revocation applications were not filed to appropriate Apple’s domain names. Similarly, to the extent that Apple’s trade marks are used and valid

(and therefore valuable), it is difficult to imagine how Mr Gleissner's later filed applications to register the same marks could allow him or his companies to appropriate Apple's earlier registered marks. I therefore reject Apple's submission that the collateral purpose behind the revocation applications is the misappropriation of Apple's trade marks or domain names.

45. The third suggested collateral purpose behind the revocation applications is that the revocation applications are an attempt to pressurise Apple into giving up its SHERLOCK trade marks and/or assign the registrations of the mark to Mr Gleissner, or to one of his companies. By the time of the second CMC, this was Apple's primary contention.

46. The timing of the revocation applications, both in the UK and at the EU IPO, is consistent with them having been filed being in response to Apple's decision to contest, or appeal against, the revocation of its registrations of SHERLOCK in Singapore, the USA and at the EU IPO. The fact that Mr Gleissner himself cited the conflict with Apple about the SHERLOCK mark as part of his explanation for having filed the revocation applications reinforces my belief that these events are connected. Further, the absence of any information about the applicants plans to trade under any of the marks covered by the revocation applications stands in contrast to the provision of information about Mr Gleissner's plans for one of his companies to launch a mobile phone application under the SHERLOCK mark. This also points to the revocation applications being a tactical response to Apple's position in the SHERLOCK revocation proceedings.

47. Mr Geissner denies that the applications are just a means of pressurising Apple in the SHERLOCK revocation proceedings. However, he is clearly very perturbed at what he perceived to be Apple's policy of hoarding unused or partially used marks and resisting attempts to revoke them for non-use.

48. Mr Riordan reminded me of the evidence which, according to Apple, showed that Mr Gleissner's claim to be acting in the public interest was not credible. In particular, the absence of evidence that Mr Gleissner was publicly trading through any of his companies, despite holding "*fewer than 3000 trade marks*", combined with the scope of his own applications to register Apple's trade marks, which

generally mirrored the goods/services covered by Apple's marks, showed that Mr Gleissner was most unlikely to be acting in the public interest. The object of the revocation applications was therefore to obtain ownership of the SHERLOCK mark in the territories in which Apple's registration of SHERLOCK is currently frustrating his plans.

49. I accept this submission. This means that I reject Mr Gleissner's evidence that the object of the applications is not to coerce Apple into giving up the SHERLOCK mark. This is because, given all the surrounding circumstances, I do not find this evidence to be credible. Given the cost of filing the numerous revocation applications in the EU IPO and in the UK, I find it unlikely that the applications are merely a 'tit for tat' response to Apple's position in the various SHERLOCK proceedings, in the sense that they intended just to vex or 'get back' at Apple, although this by itself might constitute an ulterior purpose. I am satisfied that the real purpose of the revocation applications is to coerce Apple to surrender or assign its SHERLOCK registrations. Whether Mr Gleissner's commercial purpose in obtaining registration of the SHERLOCK marks in Singapore and the EU etc. is really to launch, or facilitate the launch, of a mobile phone application under that mark is irrelevant for present purposes.

50. Does this mean that the applications for revocation are an abuse of process? I remind myself the test is whether it has been shown:

“...that a litigant is pursuing an ulterior purpose unrelated to the subject matter of the litigation and that, but for his ulterior purpose, he would not have commenced proceedings at all.”

51. I find that the applications for revocation were brought for an ulterior purpose without which these proceedings would not have been commenced. Further, the ulterior purpose is an improper purpose, at least in the sense that it is improper purpose for these proceedings. The revocation applications are therefore an abuse of process and will be struck out accordingly.

52. It makes no difference to this finding that Apple may itself have been abusing the trade mark system by registering trade marks in relation to goods/services that

it has no intention of using them for, or maintaining registrations for marks that it has long since ceased to use. Although this may help to explain the applicants' revocation applications, any such abuse by Apple cannot justify or excuse the applicants' own abuse of process.

Costs

53. I agreed to allow the parties the opportunity to make submissions on costs after they had had sight of this decision. Apple has 14 days from the date shown below to make written submissions about appropriate costs for responding to the revocation applications and the two CMCs with the associated paperwork. I will permit the applicants 14 days from the date of receipt of Apple's submissions to respond to those submissions.

Status of this decision

54. This is a provisional decision. I will issue a final decision after deciding on costs. The period for appeal against my decision to strike out the applications and whatever decision I make on costs, will run from the date of my final decision.

Dated this 18th day of January 2017

A handwritten signature in black ink, appearing to be 'AJ' followed by a large, stylized flourish.

Allan James

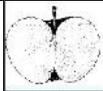
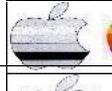
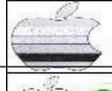
For the Registrar

ANNEX A**OWNER: APPLE INC./CANCELLATION APPLICANT: SHERLOCK SYSTEMS C.V.**

No.	Cancellation number	Trade mark number	Mark	Date of filing TM26N
1	501375	2256997A	SUPERDRIVE	17.10.2016
2	501376	2256997B	APPLE SUPERDRIVE	17.10.2016
3	501377	2254985	APPLE ISERVICES	17.10.2016
4	501378	2194291		17.10.2016
5	501379	2247016	DVD STUDIO PRO	17.10.2016
6	501381	2249936	ITUNES	18.10.2016
7	501382	2246316B	APPLE IPICTURE	18.10.2016
8	501383	2246316A	IPICTURE	18.10.2016
9	501386	2249396	IREVIEW	19.10.2016
10	501367	922669	Apple	10.10.2016
11	501368	2537795		10.10.2016
12	501374	2460664	IPHONE	18.10.2016
13	501388	2529387	IPAD	10.10.2016

OWNER: APPLE INC./CANCELLATION APPLICANT: AMERICAN FRANCHISE MARKETING LIMITED

No.	Cancellation number	Trade mark number	Mark	Date of filing TM26N
14	501385	2114996	COCOA	19.10.2016
15	501387	2460723		19.10.2016
16	501392	2465414		24.10.2016
17	501411	1292930	APPLEWORLD	28.10.2016
18	501415	1286063	APPLECENTRE	28.10.2016
19	501412	1292929	APPLEWORLD APPLE WORLD	28.10.2016
20	501435	2106556	TIME MACHINE TIME/MACHINE	11.11.2016
21	501440	1348454	APPLE	11.11.2016
22	501437	922942		11.11.2016
23	501436	2105968	IPHOTO EXPRESS	11.11.2016
24	501439	2061476	 (Mark text – THE APPLE CAFE)	11.11.2016
25	501438	1384641	IPOD	11.11.2016
26	501447	1419567	APPLELINK	14.11.2014

27	501446	960824		14.11.2016
28	501444	960826		14.11.2016
29	501448	1419566	APPLELINK	14.11.2016
30	501443	960827		14.11.2016
31	501445	960825		14.11.2016
32	501395	2190057	MYAPPLE	26.10.2016
33	501396	1158660	APPLE	25.10.2016
34	501397	1569623	QUICKTIME	25.10.2016
35	501408	1300909		28.10.2016
36	501409	1300907		28.10.2016
37	501410	1300908		28.10.2016
38	501407	1300910		28.10.2016
39	501414	2003089		28.10.2016
40	501416	1300913		31.10.2016
41	501417	1300912		31.10.2016
42	501419	1300911		31.10.2016
43	501393	2216890	VELOCITY ENGINE	24.10.2016

OWNER: APPLE INC. /CANCELLATION APPLICANT: FASHION INTERNATIONAL LIMITED

44	501454	1457422	LASERWRITER	17.11.2016
45	501457	2193436	APPLE CINEMA DISPLAY	21.11.2016
46	501459	940903	ZAPPLE	21.11.2016
47	501458	1459942	MACINTOSH	21.11.2016
48	501463	2193439	FONTSYNC	24.11.2016
49	501464	2194987	IBOOK	24.11.2016
50	501466	1489709	MACINTOSH	25.11.2016
51	501479	1110977	IMAC	25.11.2016
52	501479	1158661		28.11.2016
53	501453	1348427		17.11.2016
54	501452	1348433		17.11.2016
55	501456	1396907	AppleCare	21.11.2016
56	501455	1404273	MACINTOSH	21.11.2016
57	501470	1404275	Mac	24.11.2016
58	501471	1404274	MACINTOSH	24.11.2016
59	501472	1404276	Mac	24.11.2016
60	501467	1479626	APPLEPOINT	25.11.2016
61	501478	1493289	PROCARE	28.11.2016
62	501477	1493290	PROCARE	28.11.2016
63	501475	1479625	APPLEPOINT	28.11.2016
64	501469	2412793	PODGETS	24.11.2016

65	501451	1319972	HYPERCARD	17.11.2016
66	501465	1471773	POWERBOOK	23.11.2016
67	501476	1473431	STYLEWRITER	28.11.2016
68	501474	1473434	POWERBOOK	28.11.2016