

**TRADE MARKS ACT 1994**

**IN THE MATTER OF REGISTRATION NO. 3198800  
IN THE NAME OF HELIUM INTERNATIONAL LTD.  
FOR THE TRADE MARK:**

**HELIUM**

**IN CLASSES 3, 14, 16, 25, 26 AND 35  
AND  
AN APPLICATION FOR A DECLARATION OF INVALIDITY  
UNDER NO. 501665 BY JOHN JOSEPH MANZIONE**

## **Background and pleadings**

1. Helium International Ltd (“the proprietor”) applied for the trade mark **HELIUM** (number 3198800) (“the contested trade mark”) on 25 November 2016. It was registered on 14 April 2017 for a range of goods and services in classes 3, 14, 16, 25, 26 and 35.

2. On 17 May 2017, John Joseph Manzione (“the applicant”) applied to have the contested trade mark declared invalid under s. 47 of the Trade Marks Act 1994 (“the Act”). The grounds are based on ss. 5(1), 5(2)(a) and 3(6) of the Act.

3. Under ss. 5(1) and 5(2)(a), the invalidation is directed against some of the goods and services in the registration, namely:

Class 3: Perfumery; essential oils; cosmetics; make-up; eye make-up; eyeliners; blushers; lipsticks; hair lotions; soaps.

Class 25: Clothing; footwear; headgear; swimwear; sportswear; leisurewear.

Class 35: Provision of information and advice to consumers regarding the selection of products and items to be purchased; demonstration of goods for promotional purposes; publicity and sales promotion services; arranging of contracts for the purchase and sale of goods and services for others.

4. The ss. 5(1) and 5(2)(a) grounds are based upon the applicant’s UK trade mark registration number 3227876 for the trade mark **HELIUM**. The trade mark was applied for on 28 April 2017 and registered on 21 July 2017. A priority date of 31 October 2016 is claimed. The applicant relies upon all of the goods and services for which its mark is registered, namely:

Class 3: Artificial nails; nail polish; glue remover for use with artificial fingernails; nail treatments, namely, nail strengtheners and nail polish sealers; cuticle oil;

cuticle removing preparations; nail polish kits containing polish for nails and/or paints for nail decoration and design; cosmetics and skin care products, namely, foundation, facial concealer, mascara, eye shadow, eye liner, eyebrow pencils, eyebrow cosmetics, lipstick, lip liner, lip balm, lip gloss, face powder, skin bronzer, blush, skin moisturizers, facial moisturizers, make-up remover.

Class 8: Cuticle clippers; nail nippers; nail files; nail clippers; tweezers; manicure and pedicure sets; cuticle scissors; nail scissors.

Class 44: Nail care salon; beauty salon.

5. Given its priority date, the applicant's mark qualifies as an earlier mark in accordance with s. 6 of the Act. As the mark had not been registered for five years before the date of the application for invalidation, it is not subject to the proof of use provisions contained in ss. 47(2A)-(2E) of the Act. The applicant can, as a consequence, rely upon all of the goods and services it has identified.

6. The applicant claims under these grounds that the trade marks are identical and that the goods and services are identical or similar.

7. The ground under s. 3(6) of the Act is directed against all of the goods and services in the registration and is pleaded as follows:

"Manzione notes that Helium is linked to Michael Gleissner. Due to a vast trade mark filing programme by businesses linked to this individual, suspicions have been raised that many of the rights sought and/or obtained by or for him were filed in bad faith due either to a lack of intention to use them or for "ulterior purposes". We note that Helium is registered to the same company agent address as Michael Gleissner's numerous other companies, that Michael Gleissner holds 1103 company appointments in the UK alone

and that there is no evidence that we could find that Helium has traded or will trade”.

8. The proprietor filed a counterstatement in which it denies the grounds of invalidity. The bulk of the counterstatement consists of legal submissions, which it is not necessary to record here. In relation to the s. 5 grounds, the proprietor denies that there is any similarity between the goods and services at issue and claims that “[this] level of dissimilarity is sufficient to offset any potential similarity between the marks”, thus avoiding a likelihood of confusion.

9. The proprietor’s defence of its mark against the s. 3(6) ground is predicated on the twin bases that there is a presumption of good faith unless the contrary is proven and on the following remarks concerning the use requirements:

“[...] it must be noted 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.

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”.

10. Only the applicant filed evidence, though the proprietor filed written submissions during the evidence rounds. Neither party requested a hearing. The proprietor did, however, file written submissions in lieu. I do not intend to summarise the submissions but will take them into account and refer to them as appropriate later in this decision. The proprietor is not professionally represented; the applicant has been represented throughout by Carpmaels & Ransford LLP. This decision is taken following a careful reading of all of the papers.

### **Evidence**

11. I intend to decide the ground under s. 3(6) first. Consequently, the following summary is of the evidence filed in relation to s. 3(6) only. If necessary, I will return to the evidence in respect of the remaining grounds, should it be necessary to decide them, at the appropriate point later in this decision.

12. The applicant's evidence consists of the witness statement of Jonathan Day, with eight accompanying exhibits. Mr Day is a partner at the applicant's firm of professional representatives. There is a mixture of evidence and submissions in Mr Day's statement: whilst I take all of his comments into account, only the evidence is summarised here.

13. Mr Day gives evidence that the proprietor is a company wholly owned by Michael Gleissner, which is supported by an incorporation certificate dated 3 June 2016. The certificate shows that Mr Gleissner is both the only director and only shareholder of the applicant company.<sup>1</sup> Further information from Companies House is exhibited, which shows that the stated business of the proprietor is television programming and broadcasting services.<sup>2</sup>

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<sup>1</sup> Exhibit JMD4.

<sup>2</sup> Exhibit JMD8.

14. There is an article from *World Trademark Review* by Tim Lince, dated 23 August 2016.<sup>3</sup> The article concerns trade mark filings by businesses linked to Mr Gleissner, particularly in the US and in the UK. It is said that in the six months between February 2016 and the date of the article, over 1,000 company names were registered in the UK by Mr Gleissner and that he is recorded as the sole employee of those companies. Many were subsequently applied for as trade marks, the example given being of the company “EUIPO INTERNATIONAL LIMITED” which applied in Portugal for the trade mark “EUIPO”. There is speculation as to the motivation for the trade mark applications, most of which centres on Mr Gleissner’s domain name portfolio. Theories include that the trade marks are used to obtain domain names, or to devalue them. The author of the article says that a lawyer for one of Mr Gleissner’s companies, Marco Notarnicola, once described his job responsibilities as including “manipulating trademarks to reverse hijack domain names through UDRP”.

15. There are a further two articles from *World Trademark Review*, also authored by Tim Lince.<sup>4</sup> The earlier article is dated 26 April 2017 and is a follow-up to the article described above. It is reported that one of Mr Gleissner’s companies filed 730 trade mark applications in the US in eight months. The article quotes an anonymous source, said to be related to one of Mr Gleissner’s companies, who denies that domain name acquisition was the aim and says that the business model was about “creating a brand incubator” and that it was “a way to invest in property [...] where the value of [Mr Gleissner’s] investments increases over time. In this case, there was not much intent for profit, but for owning”.<sup>5</sup>

16. The later article is dated 12 May 2017 and focuses on criticisms by small businesses of the UK IPO’s examination and opposition processes. The author also discusses what he describes as “hundreds, possibly thousands” of trade mark filings made globally by Mr Gleissner, with further reference to the “incubator” business

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<sup>3</sup> Exhibit JMD6.

<sup>4</sup> Exhibit JMD5.

<sup>5</sup> p. 6.

strategy.<sup>6</sup> The author also discusses the potential for UK filings to facilitate trade mark registrations in the US by dispensing with the requirement to show use.

17. At exhibit JMD7 is an article from the IPKat online blog, dated 22 September 2015, which reports on a number of cancellation applications filed by one of Mr Gleissner's companies at the OHIM (now EUIPO).

18. I also note that, although he does not go into any detail, Mr Day confirms that an "initial high level search [...] found no evidence that the company has started trading or has plans to this effect".<sup>7</sup>

19. As the applicant did not file any evidence, that concludes my summary of the evidence, insofar as the ground under s. 3(6) is concerned.

## **Decision**

20. Section 3 of the Act has application in invalidation proceedings because of the provisions set out in section 47(1):

"47. – (1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 3 or any of the provisions referred to in that section (absolute grounds for refusal of registration)".

21. 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".

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<sup>6</sup> p. 1.

<sup>7</sup> §11.

22. 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):

"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)".

23. The proprietor is Helium International Ltd., not Mr Gleissner. However, Professor Ruth Annand, sitting as the Appointed Person, held in *Joseph Yu v Liaoning Light Industrial Products Import and Export Corporation* (BL O/013/15) that:

"22. [A] claim of bad faith is not avoided by making an application in the name of an entity that is owned or otherwise controlled by the person behind the application".

24. The proprietor has not disputed that Mr Gleissner is the sole director, and therefore in control of, the proprietor. Accordingly, Mr Gleissner's motives can be attributed to the proprietor.

25. The proprietor has asserted that there is no requirement to use the 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 claims that the intention to use the mark can only be assessed at that point. That submission is wrong in law. It conflates the separate issues of (i) the five-year grace period following registration for the commencement of actual use and (ii) the declaration pursuant to s. 32(3) that, at the date of application, the mark is in use in relation to the goods and services or that there is a *bona fide* intention so to use it. It is clear from *Red Bull* at [131] and [138] that the relevant date for assessing the proprietor's intention is the date of application. By signing the application form, the proprietor confirmed, in accordance with s. 32(3), that the mark was being used or that there was a *bona fide* intention it would be used. In *CKL Holdings NV v Paper Stacked Limited* (BL O/036/18), Geoffrey Hobbs Q.C., sitting as the Appointed Person, said:

"22. [...] a declaration made pursuant to the requirements of s.32(3) can be false by reason of the absence of any bona fide intention to use a mark, with

that in fact being indicative or symptomatic of the relevant mark having been put forward for registration in relation to goods or services of the kind specified in an improper manner or for an improper purpose, such as to justify refusal of the relevant application for registration on the ground of bad faith”.

26. In its written submissions, the proprietor relies on the presumption of good faith and claims that the onus in a case such as this is on the applicant.<sup>8</sup> It further submits that the evidence filed by the applicant is “insufficient to rebut the presumption of good faith” and that “[there] is no concrete evidence to show, directly or indirectly, that there was bad faith at the time of the registration”.<sup>9</sup> However, in *Ferrero SpA’s Trade Marks*, David Kitchen Q.C. (as he then was), sitting 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:

“16. 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.

17. [...] the hearing officer was entitled to come to the conclusion that the applicants had established a *prima facie* case that the registered proprietors

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<sup>8</sup> Submissions dated 20 February 2018, §26.

<sup>9</sup> *Idem*, p. 12, marked §18 (the paragraph numbering has gone awry).

did not have a genuine intention to use the marks in issue at the dates they were filed. He was also, in my view, entitled to come to the conclusion that the *prima facie* case was not answered and that the allegation was therefore made good”.

27. As the decision in *Ferrero* shows, once a *prima facie* case has been established, it is incumbent on the proprietor to answer the complaint. The presumption of good faith and the burden of proof on the applicant are, therefore, only part of the story. While *Ferrero* was decided some time ago, there is no reason to believe it is no longer good law insofar as it states that stockpiling trade marks with no intention to use them may justify an allegation that the unused marks have been applied for in bad faith. I also note that the General Court held in *EUIPO v Copernicus-Trademarks Ltd* (Case T-82/14) that filing an EU trade mark application as part of a blocking strategy, with no intention to use the trade mark in accordance with its essential function (i.e. to distinguish the goods/services of one undertaking from those of others), is an act of bad faith.

28. The press reports relied upon by the applicant indicate that Mr Gleissner has established multiple shelf companies, in the names of which he has acquired a large number of trade marks. The reports are, however, hearsay evidence. In his witness statement, Mr Day draws my attention to the previous decision of this tribunal in *Viva Media GmbH v Viva Technologies Limited* (BL O/015/17). That was a case concerning a company owned by Mr Gleissner in which the hearing officer upheld the opposition under s. 3(6), having found that the application was part of a blocking strategy and there had been no intention to use the mark in accordance with its essential function. However, not all of the evidence filed in that case has been filed or relied upon in the instant proceedings. Had that been the case, the proprietor would have been able to challenge it with evidence of its own. Whilst the information and factual findings in *Viva* are from a final, published legal decision, which was subsequently upheld on appeal, it is not possible simply to transfer the findings in *Viva* to the present invalidation.

29. No evidence has been filed by the proprietor and its submissions regarding s. 3(6) are confined to the points recited above. Aside from a blanket denial of all of the grounds in the counterstatement, there is nowhere in the proprietor's submissions a statement that the proprietor intended to use the mark, nor is there any explanation from the proprietor which would make clear its rationale for filing the application. I also keep in mind that the proprietor has not attempted to provide a specific response to the applicant's reliance on the published factual findings in *Viva*. I am satisfied that the applicant has made out a prima facie case, to which no satisfactory response or rebuttal has been made by the proprietor. Consequently, the application for invalidation based on s. 3(6) succeeds.

### **Other grounds**

30. As the application for invalidation has succeeded in its entirety under s. 3(6), there is no need to consider the remaining grounds, as they do not materially improve the applicant's position.

### **Conclusion**

31. The application for invalidation has been successful and, subject to appeal, the registration will be deemed never to have been made.

### **Costs**

32. The applicant has been successful and is entitled to an award of costs. Awards of costs in proceedings commenced after 1 July 2016 are governed by Tribunal Practice Notice ("TPN") 2 of 2016. Using that TPN as a guide but bearing in mind that the proprietor filed no evidence and that there was considerable repetition in its two sets of submissions, I award costs to the applicant on the following basis:

Official fees	£200
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Preparing the Notice of Opposition and  
considering the counterstatement: £200

Preparing evidence and considering  
the other party's submissions: £500

**Total: £900**

33. I order Helium International Ltd. to pay John Joseph Manzione the sum of **£900**. This sum is to 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 15<sup>th</sup> day of March 2018**

**Heather Harrison  
For the Registrar  
The Comptroller-General**