

O-315-18

TRADE MARKS ACT 1994

**TRADE MARK APPLICATION NO. 3188905
BY PALLADIUM PARTNERS LIMITED
TO REGISTER THE TRADE MARK**

PALLADIUM

IN CLASSES 3, 14, 25, 26, 35 AND 38

AND

**THE OPPOSITION THERETO UNDER NO. 408887
BY K-SWISS INC**

Background and pleadings

1. Palladium Partners Limited (“the applicant”) applied for the trade mark PALLADIUM on 3 October 2016 for

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

Class 14: Precious stones.

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

Class 26: lace; embroidery; ribbons; braid; buttons; hooks and eyes; pins; needles; artificial flowers.

Class 35: Provision of information and advice to consumers regarding the selection of products and items to be purchased; exhibitions for commercial or advertising purposes; arranging of exhibitions for commercial purposes; demonstration of goods for promotional purposes; publicity and sales promotion relating to goods and services, offered and ordered by telecommunication or the electronic way; provision of business and commercial information; business consultancy services; assistance and advice regarding business organization and management; advertising; advertising particularly services for the promotion of goods; arranging of contracts for the purchase and sale of goods and services, for others; market research and marketing studies; compilation of computer databases; office functions; risk management consultancy [business]; employment agency services; personnel recruitment services; temporary personnel employment services; placement of permanent personnel.

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.

2. The application was published on 23 December 2016. It was subsequently opposed by K-Swiss Inc (“the opponent”) on the basis of sections 3(6), 5(1), 5(2)(a), 5(2)(b), 5(3) and 5(4)(a) of the Trade Marks Act 1994 (“the Act”). As the opposition currently stands, the opponent relies upon the following earlier marks for its section 5(2)(a), 5(2)(b) and 5(3) grounds:

(i) 1254910: sections 5(2)(a) and 5(3) of the Act.

PALLADIUM

Class 25: Footwear being articles of clothing.

Filing date: 21 November 1985; date registration procedure completed: 10 October 1986.

(ii) 1479423: sections 5(2)(a) and 5(3) of the Act, relying on footwear only.

PALLADIUM

Class 25: Articles of outer-clothing; articles of sports clothing; footwear; all included in Class 25.

Filing date: 11 October 1991; date registration procedure completed: 22 January 1993.

(iii) 2502037: sections 5(2)(b) and 5(3) of the Act, relying on footwear only.



Class 25: Clothing, footwear, headgear; cap visors, shoes, boots, sandals, slippers, shirts, t-shirts, polo shirts, pants, shorts; short pants, warm-up jackets, warm-up pants, sweatshirts, sweatpants; skirts, sweaters, vests, jackets, wind-resistant jackets, socks, belts, ties, scarves, caps and visors.

Filing date: 10 November 2008, claiming priority from 21 October 2008 (USA); date registration procedure completed: 13 March 2009.

3. The section 5(4)(a) ground was dropped, and the section 5(1) ground also fell away because, on 28 November 2017, the applicant deleted its class 25 goods, thereby removing goods identical to those covered by earlier trade marks (i) and (ii).

4. The opponent claims that there is a likelihood of confusion under sections 5(2)(a) and (b) of the Act owing to the identity and similarities between the parties' marks and the similarities between the goods. Under section 5(3), the opponent claims that the relevant public will believe that the trade marks are used by the same, or an economically linked, undertaking; that use of the trade mark will free-ride on the reputation and/or prestige of the earlier mark; that it will tarnish that reputation and dilute its distinctive character and reputation.

5. The ground under section 3(6) of the Act ('bad faith') is pleaded as follows:

"In 2009, the Opponent acquired the fashion footwear company, Palladium SAS, which has a significant reputation for providing premium footwear, apparel and accessories and has been operating since 1947. The Applicant has no bona fide intention to use the mark. The sole director for the Applicant has filed several hundred trade mark applications in numerous territories

(mostly within the European Union). There is no apparent commercial logic for the Applicant applying for the Trade Mark and the purpose appears to be solely to disrupt the business of the Opponent in the United Kingdom. The Applicant's conduct departs significantly from the accepted principles of ethical behaviour or honest commercial and business practices."

6. The applicant denies the grounds in a lengthy counterstatement consisting of legal submissions, which it is not necessary to record here, save for the applicant's defence in relation to the section 3(6) ground. In addition to claiming that there is a presumption of good faith unless the contrary is proven, the applicant claims:

"32. Furthermore, 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.

33. 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."

7. The applicant also requires the opponent to prove that its marks have been put to genuine use for all goods (although the opponent only relies upon footwear).

8. Only the opponent filed evidence. The matter came to be heard before me on Wednesday 18 April 2018 by video conference. The opponent was represented by Mr Jeremy Heald, of Counsel, instructed by Mishcon de Reya LLP. The applicant, which is self-represented, did not attend the hearing, and did not file written submissions during the evidence rounds or in lieu of attending the hearing.

Opponent's evidence

9. The opponent's evidence comes from Christophe Mortemousque, the Brand President of Palladium SAS, a wholly owned subsidiary of the opponent. He has been involved in marketing for Palladium SAS since 1997. The first part of the evidence relates to the opponent's use of its marks, and the second part relates to the applicant. Mr Mortemousque begins his witness statement (dated 9 June 2017) by stating:

“5 For the reasons I give below, I believe that the PALLADIUM brand is extremely well known in the UK and indeed throughout Europe and the Americas, as a fashion brand chiefly known for high-quality footwear and accessories. I cannot understand why the Applicant wishes to register the mark PALLADIUM as it does not appear to hold any legitimate interest in that sign or have any intention to use it. Rather, the Application appears to form part of an abusive strategy which involves a network of companies under the common control of Michael Gleissner amassing large quantities of marks (none of which appear to be used) and holding proprietors of genuine marks to ransom.”

10. Key points from Mr Mortemousque's evidence regarding the opponent's reputation include:

- By the 1960s, PALLADIUM boots were known throughout Europe as footwear for extreme conditions (and were worn by the French Foreign Legion).

- In the early 1990s, the PALLADIUM 'Pampa' boot became associated with the grunge and rave scenes, becoming a fashionable brand. More than a million pairs of boots were sold a year, worldwide.
- PALLADIUM footwear was first sold in the UK in 1993 and continued to be sold until 2002. In 2009, the Palladium business was acquired by the opponent, the 'Pampa' boot was re-launched, and UK sales resumed in the UK from 2010. The PALLADIUM brand was expanded, with new footwear lines.

11. Mr Mortemousque states that the brand PALLADIUM has retained its military associations, citing an article in the January 2010 issue of the UK magazine *FHM*¹:

“Best of all though, despite Palladium’s rich heritage and endorsement from the French military elite, you can still get hold of a pair on the high street from the likes of Schuh for under £60. They’ll look best worn with jeans as an alternative to the current baker boy styles and you’ll be safe in the knowledge that they’ll stand up to whatever you throw at them.”

12. Mr Mortemousque exhibits² a list of all the sales in the UK of PALLADIUM goods between 2011 and 2016. Names of individuals have been redacted, but the list includes retailers and wholesalers such as Footasylum, Schuh, Next, Topshop, ASOS.COM, Amazon, Kurt Geiger and John Lewis. A representative sample of invoices to UK customers, from 4 April 2013 to 23 March 2016, is shown at Exhibit CM-11. The invoiced customers include Amazon, Topshop, Schuh, ASOS and SportsDirect.com.

¹ Exhibit CM-4.

² Exhibit CM-7.

13. Total sales in the UK during the relevant period are given as follows³:

Year	UK revenue (€)	Total quantity sold
2011	535,097	16,472
2012	1,444,482	32,237
2013	1,050,010	27,955
2014	1,366,928	36,969
2015	1,395,453	43,045
2016	869,758	24,414

14. The opponent has produced quarterly marketing reports for the UK and Ireland since 2015. Copies from the November 2015 and August to October 2016 reports are shown at Exhibit CM-17. These include a feature in the November 2015 issue of GQ magazine, which has a UK circulation of 1,200,000. I note this refers to 'sneakerboots', which are a hybrid between a sneaker and a boot, and shows an example of a PALLADIUM sneakerboot. There is also press and social media coverage from November 2015 of David Beckham wearing Palladium boots, including an article from the Mail Online, which was shared 35,000 times.

15. The next part of the evidence relates to the applicant and, in particular, the ground of opposition under section 3(6) of the Act (the 'bad faith' ground).

16. Mr Mortemousque states that he instructed the opponents' UK lawyers to commission a report into the applicant and its use (if any) of the PALLADIUM mark. A copy of the report, dated 9 May 2017 is shown at Exhibit CM-22. It comes from Bishop IP Investigations. Mr Mortemousque states that the report provides the source of his knowledge about the applicant, along with other documents which he also exhibits. He provides the following:

- Michael Gleissner is the applicant's sole shareholder and director. The company was incorporated on 30 March 2016. At the time of Mr Mortemousque's witness statement, the company's registered address had

³ Mr Mortemousque explains that the opponent's accounting system records European sales in Euros.

been, since 15 September 2016, 3rd Floor, 207 Regent Street, London W1B 3HH. This is significant because it is a serviced office address used by over 1000 other English companies owned or controlled by Mr Gleissner, as compiled and published by World Trademark Review, as of 19 August 2016. Mr Mortemousque states that almost all of the companies share the same serviced office address.

- Mr Mortemousque is not aware of the applicant having any assets in the UK, or that it has conducted any trade or made any preparations to trade in the UK.
- The investigator identified certain domain names containing the word PALLADIUM which are held by other companies owned or controlled by Mr Gleissner, including PALLADIUM.COM.HK (registered on 10 November 2016), PALLADIUM.COM.SG (registered on 19 April 2016) and PALLADIUM.LT (registered on 30 March 2017.)
- A series of articles published by the World Trademark Review, the IPKAT, Domain Names Wire and other online marketing and trade mark publications report on the activities of Mr Gleissner. These are shown at Exhibit CM-27. They include a World Trademark Review article by Tim Lince, dated 23 August 2016, in which the writer speculates as to the reasons why Mr Gleissner has registered thousands of companies and made applications for thousands of trade marks, many of which are registered, particularly in the UK and the US. From February 2016 to the date of the article (six months), Mr Gleissner registered over a thousand company names in the UK, which were subsequently applied for as trade marks e.g. EUIPO INTERNATIONAL LIMITED applied for the trade mark EUIPO. One of the theories for the filing strategy is that Mr Gleissner is a trader in domain names and uses registered trade marks to obtain ownership of them. In this connection, the writer says that Marco Notarnicola, a lawyer and Trademarks Manager at one of Mr Gleissner's companies, Bigfoot Entertainment Pte Ltd, once listed his job responsibilities on LinkedIn as including “manipulation of TMs and common

law marks to achieve UDRP ‘reverse domain name hijacking’”. A copy of the IP KAT blog dated 22 September 2015 questions the motive for the many cancellation applications brought at the EUIPO by a Gleissner-led company. A copy of an article published in Domain Name Wire, on 19 August 2016, refers to Mr Gleissner’s companies’ trade mark applications which match domain names which he does not own.

- Exhibit CM-28 is a copy of the Registrar’s decision, BL O/015/17, in which 68 applications by entities under Mr Gleissner’s control to revoke 68 trade marks owned by Apple Inc. for non-use were struck out as an abuse of process. The applications for revocation included attacks on Apple Inc.’s trade mark registrations for iPHONE, iTUNES and APPLE.
- Exhibit CM-29 comprises a copy of an article from the legal news section of onlinedomain.com, dated 17 August 2016. The item concern CKL Holdings N.V., a Michael Gleissner company in Belgium which had filed some 68 trademarks in the US, many of which were for common forenames. Others were for domain names such as rome.com, Tokyo.com, hongkong.com, munich.com and other major world cities.
- Exhibit CM-30 is a copy of a decision by the WIPO Arbitration and Mediation Center. Bigfoot Ventures LLC (a Michael Gleissner company) was held to have engaged in attempted ‘reverse domain name hijacking’, using the Uniform Domain Name Dispute Resolution system in an attempt to acquire the domain name slized.com. The adjudicator found that Bigfoot Ventures LLC claimed, without justification, that its registered trade mark SLIZED had a reputation as a ‘global brand’. The adjudicator also found that the complaint, brought by Bigfoot Ventures LLC, was “speculatively filed”.
- Bigfoot Ventures LLC was found by the WIPO Panel to have engaged in ‘cyber-squatting’ in the VTP.COM decision. Mr Gleissner’s company had demanded \$148,000 to sell the domain name to the brand owner, an airline,

and had filed trade mark applications for VTP in Benelux, Lithuania and the EU. A copy of the WIPO decision is exhibited at Exhibit CM-31.

Decision

17. 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.”

18. In *Red Bull GmbH v Sun Mark Ltd & Anr* [2012] EWHC 1929 and [2012] EWHC 2046 (Ch) (“Sun Mark”) Arnold J summarised the general principles underpinning section 3(6) as follows:

“Bad faith: general principles

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* [2009] 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).”

139. There have been a series of cases in which courts and tribunals have had to consider whether a lack of intention to use the trade mark on the part of the applicant constitutes bad faith within section 3(6) of the 1994 Act/Article 3(2)(d) of the Directive/Article 52(1)(b) of the Regulation. It should be noted at the outset that there are a number of variants of this question, including the following:

(1) whether the making of a declaration of intention to use the mark as required by section 32(3) of the 1994 Act, which is false because in fact the applicant did not intend to use the mark, amounts to bad faith;

(2) whether an intention to use the mark in relation to some goods covered the application, but not others - and hence a statement of intention to use that is true in relation to the former goods, but not in relation to the latter – amounts to bad faith; and

(3) whether a lack of intention to use amounts to bad faith if there are exacerbating factors, such as (a) an attempt to obtain protection for an unregistrable mark or (b) an attempt to block others from registering the mark by repeated applications.”

19. Although the applicant is Palladium Partners Limited, not Mr Gleissner, his motives can be attributed to the applicant because he is the sole Director of, and therefore controls, the applicant; see *Joseph Yu v Liaoning Light Industrial Products Import and Export Corporation* BL O/013/05, in which Professor Ruth Annand, sitting as the Appointed Person, held:

“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.”

20. The applicant responded to the bad faith ground, in its counterstatement, relying on (i) the presumption of good faith; and (ii) it not being obliged to use the mark until one day prior to the expiry of the five-year period following registration and that, consequentially, it is not required to show intent to use the mark. Such a response from the applicant leads me to conclude that the applicant was clearly aware of the case made against it, from the outset. Furthermore, in addition to being aware of the claim at the defence stage, the opponent’s case was clearly expressed, in detail, by the time the applicant was set a period for filing its evidence, so it had ample opportunity to respond to all of the points made by the opponent. It did not do so. The applicant has filed no evidence and no submissions in response to the opponent’s evidence. Its only response to the section 3(6) ground is contained in its counterstatement, reproduced at the beginning of this decision.

21. In relation to the defence that there is a presumption of good faith unless the contrary is proven, the applicant states that the opponent has not provided sufficient arguments or evidence to show that the application was made in bad faith. Whilst I agree that there is an onus on the opponent, if the opponent shows a *prima facie* case which goes unanswered, or is answered unsatisfactorily, its opposition will succeed, as per *Ferrero SpA’s Trade Marks* [2004] RPC 29, paragraph 17. I note that this was the approach taken by the Registrar’s hearing officer in another case involving a Gleissner company (as the applicant), *Viva Technologies Ltd v Viva Media GmbH*, BL O/418/17:

“As the case law indicates, it is important to evaluate the applicant’s intentions at the time of the application in assessing the merit of such bad faith claims. This is plainly more difficult where the applicant offers no explanation as to its intentions and rests its case on formal denials. In these circumstances, the applicant’s intentions can only be assessed based on the objective factors surrounding the application. Where such factors are sufficient, when

considered collectively, to create a *prima facie* case of bad faith, the opposition will succeed in the absence of a satisfactory explanation or rebuttal from the applicant.”

22. The defence that the applicant is not obliged to use the mark until one day prior to the expiry of the five-year period following registration and that, consequentially, it is not required to show intent to use the mark is wrong in law. The applicant’s defence confuses and conflates the statutory requirement that there must have been intent to use the trade mark for the goods and services at the date of application with the five year grace period for actual commencement of use.

23. That the application was made without such an intention to use (i.e. in bad faith) is a claim that can be made at any time prior to, as well as after, the five-year period for commencing use by any person, including by the Registrar of Trade Marks⁴. The CJEU has stated that consideration must be given to the applicant’s intention at the time when the application was filed (*Lindt v Hauswirth*). The applicant is silent as to its intention. Given its silence, the applicant’s intentions can only be assessed based on the objective factors surrounding the application in order to decide whether the opponent has presented a *prima facie* case. The information from the press reports is hearsay. However, the applicant has not answered the hearsay evidence which indicates that Mr Gleissner owns a large number of shelf companies which, in turn, own a large number of trade marks. Nor has it responded to the findings in the published legal decisions adduced in evidence by the opponent: the *Apple* case and the WIPO arbitration panel decision.

24. At the time of filing, the application covered class 25 goods, including ‘footwear’. The evidence filed by the opponent showed that the opponent’s footwear enjoys a significant reputation in the UK. It would have been simple enough to have filed

⁴ In *Fianna Fail and Fine Gael v Patrick Melly* [2008] ETMR 41, Mr Geoffrey Hobbs QC, sitting as the Appointed Person, observed that “Bad faith is an absolute, hence free-standing, ground for refusal of registration. It can be raised in relation to matters arising between applicants and third parties as well as between applicants and the Registrar.”

evidence of intention to use PALLADIUM as an indicator of trade origin of the goods in the application, if the application had been filed in good faith. That it has not, and considering the huge number of different companies and trade mark filings with which Mr Gleissner is involved, I conclude that the application was made as part of a wider strategy designed to benefit from a clash of rights with third parties; in this case, an opponent which has an established reputation in the identical mark for identical goods (at the time of filing).

25. Even without the clash with footwear, there is enough evidence which has gone entirely unanswered to find that there was no intention to use the mark according to its essential distinguishing function at the time of filing. Cited by Arnold J in *Red Bull*, paragraph 21 of *CHOOSI Trade Mark* (Case R 633/2007-2, OHIM Second Board of Appeal, 29 February 2008) states:

“Article 51(1)(b) CTMR^[5] does not therefore allow applications for registration of trade marks to be made for abusive or fraudulent ends which are contrary to the objectives pursued by Community trade mark law. In such a hypothesis the applicant’s purpose is not to protect a trade mark according to its distinctive function but to wield the registration as a weapon or tool to reach an abusive or fraudulent end deviated from the legitimate functions of trade marks, the protection of which are the objectives pursued by the Community trade mark law.”

26. The essential function of a trade mark is to guarantee the trade mark as an indication of trade origin for the goods and/or services for which it registered by distinguishing those goods and services from those of other undertakings⁶. Filing trade mark applications speculatively would constitute such an abuse of process because the trade marks in question cannot perform such a distinguishing function.

⁵ “A Community trade mark shall be declared invalid on application to the Office or on the basis of a counterclaim in infringement proceedings.

(a) ...

(b) where the applicant was acting in bad faith when he filed the application for the trade mark.”

⁶ Recitals 16 and 31 of Directive (EU) 2015/2436, with which the Trade Marks Act 1994 is harmonised.

The applicant's position is that intention to use the mark can only be assessed at a later date; i.e. if, at some undefined point in the future, an opportunity to use it arises. This submission, in itself, invites an inference that the application was made speculatively.

27. Putting all the objective facts together, particularly the enormous number of Gleissner-connected trade marks, companies and domain names, with the findings that have been made against him/his companies, I find that the opponent has made out a *prima facie* case on the facts I have described, which has not been answered by the applicant, other than its erroneous legal submission in the counterstatement. I accept the opponent's claim and reject the applicant's denial of the section 3(6) ground. The application was made in bad faith. As the opposition has succeeded under this ground, there is no need to consider the other grounds of opposition.

Outcome

28. The opposition succeeds under section 3(6) of the Act. The application is refused.

Costs

29. The opponent has been successful and is entitled to a contribution towards its costs. The award of costs will be on scale⁷, as a contribution to the opponent's costs.

Opposition fee	£200
Preparing a statement and considering the counterstatement	£600
Filing evidence	£800

⁷ Published in Tribunal Practice Notice 2/2016.

Preparation for and attending the hearing £1000

Total £2600

30. I order Palladium Partners Limited to pay K-Swiss Inc the sum of £2600 which, in the absence of an appeal, should be paid within fourteen days of the expiry of the appeal period.

Dated this 22nd day of May 2018

**Judi Pike
For the Registrar,
the Comptroller-General**