

O-154-09

**TRADE MARKS ACT 1994  
IN THE MATTER OF APPLICATION No 2416626  
BY MAXIMUSCLE LIMITED  
TO REGISTER THE TRADE MARK  
LEUKIC  
IN CLASSES 5, 30 & 32**

**AND IN THE MATTER OF OPPOSITION THERETO  
UNDER No. 94569  
BY FOREIGN SUPPLEMENT TRADEMARK LIMITED**

## **BACKGROUND**

1) On 15 March 2006, Maximuscle Limited applied under the Trade Marks Act 1994 for registration of the trade mark Leukic in respect of the following goods:

In Class 5: Vitamin, mineral and protein preparations and substances; nutrients and nutriments; preparation for nutritional use; nutritional supplements for athletes and sports people.

In Class 30: Nutritional, energy, protein and weight gain confectionery bars including meal replacement bars and sweets for the sports market.

In Class 32: Non-alcoholic beverages; fruit drinks and juices; protein based fruit drinks, calorie controlled and calorie reduced beverages.

2) On 18 August 2006 Foreign Supplement Trademark Ltd filed a notice of opposition to the application. The ground of opposition is in summary:

- a) The applicant was aware of the opponent's use of the LEUKIC mark with regard to food substances and nutritional supplement products to, in particular, the sports and body building sector, from November 2005 in the USA, and its application to register the mark in the USA. The applicant was aware of the strong likelihood that the opponent would want to expand its existing business in the UK.
- b) The applicant is itself a supplier of food substances and nutritional supplement products to the sports or body building sector and has applied to register the identical mark LEUKIC for identical products in the UK. The application was filed to prevent the opponent using and registering its mark in the UK.
- c) The applicant has attempted previously to register in the UK marks which are identical to those used in connection with the opponent's products. In particular, following the successful and high profile launch of the opponent's GAKIC range of products in the US in around July 2005, the applicant filed UK applications to register the marks GAKIC and MAXI-GAKIC.
- d) In light of the above the application was made in bad faith and offends against Sections 3(6) of the Trade Marks Act 1994.

3) The applicant subsequently filed a counterstatement denying that the application was filed in bad faith. Further, the applicant stated:

“1.1 The Applicant arrived at the name LEUKIC wholly independently of the opponent and it was derived by the Applicant by combining part of the common ingredient Leucine amino acid with the common suffix –KIC itself an abbreviation of ketoisocaproate. The applicant has sold products containing both Leucine amino acids and compounds containing ketoisocaproate for a number of years and therefore the name LEUKIC was a fairly obvious name to

come up with particularly at a time when the UK nutritional supplements market is becoming increasingly more tightly regulated and businesses such as the applicant are replacing existing product lines which of course involves coming up with brand new names;

1.2 The Applicant's business is concerned almost exclusively with the UK and mainland Europe;

1.3 The UK and US markets for food products and nutritional supplements are very different and products launched in the US will often not find their way into the UK because of the different regulatory regimes and because of the different market forces in operation;

1.4 US based publications are usually either not available in the UK or available only as UK editions which will contain only advertising for products available in the UK;

1.5 As far as the Applicant is aware the Opponent has not carried out any advertising or marketing for its LEUKIC product in the UK;

1.6 As far as the Applicant is aware the Opponent has not (some 16 months after it says it launched in the US) made any preparations, including but not limited to obtaining the appropriate UK product authorisations, to sell its LEUKIC product in the UK;

1.7 In the circumstances the Applicant was not aware of the Opponent's product launch in the US, whether successful, high-profile or otherwise or of the subsequent sales by the Opponent of products under the name LEUKIC in the US as at the date it filed the application.

2. Save that is [sic] admitted that the Applicant has previously made UK trade mark applications for both GAKIC and MAXI-GAKIC and that it has withdrawn its application for GAKIC paragraph 2 is denied and the Applicant avers as follows:

2.1 GAKIC is a generic name used throughout the nutritional supplements industry and in research as an abbreviation for the combination of common ingredients glycine, Arginine, alpha-ketoisocaproic acid (KIC) and indeed is a term which is used by a number of businesses in this field to describe their products;

2.2 The Applicant's UK trade mark application for GAKIC was filed in error and was withdrawn as soon as it became clear that an error had been made. The Applicant had in fact intended to apply for MAXI-GAKIC because it commonly uses the word MAXI as a suffix or pre-fix to distinguish its goods and services and that new application has now been made;

2.3 The Opponent has applied for a Community Trade Mark for the word GAKIC alone and the Applicant has submitted observations to OHIM in relation to that mark setting out why it should not be granted.

In the circumstances there is a genuine dispute between the Applicant and the Opponent in relation to the Opponent's right to register GAKIC as a trade mark and in relation to the Applicant's right to register MAXI\_GAKIC as a trade mark. These disputes have not yet been resolved and in the Applicant's submission it would be wholly wrong to use them to support the current opposition or to draw any inference to support the Opponent's bad faith attack."

4) Both sides filed evidence in these proceedings. Both sides ask for an award of costs. Unfortunately, neither party wished to be heard on the issue although both filed initial and supplemental submissions and further correspondence which I shall refer to as and when relevant.

### **OPPONENT'S EVIDENCE**

5) The opponent filed six witness statements. The first, dated 4 September 2007, is by Vincent Scalisi the Chief Marketing Officer of Iovate Health Sciences Inc. a leading dietary supplement manufacturer based in Canada. He states that the opponent in the instant case is an affiliate of his company. He has been in post since December 2005 and oversees all of the global marketing activities of his company including its Muscle Tech brand of products. He states that he has substantial experience in the bodybuilding industry having been President of the Weider Publications Enthusiast Group and Editor of Muscle & Fitness one of the major publications in the bodybuilding industry.

6) Mr Scalisi states that his company "...develops and markets a large array of dietary supplements throughout the world. Dietary supplements supply nutrients (vitamins, minerals, fatty acids or amino acids) that are missing or not consumed in sufficient quantity in a person's diet." These are used by various well known body builders. He states that the majority of his company's sales take place in the USA. The UK is one of the top markets in the EU. He claims that the world looks to the USA for product development and marketing ideas. Mr Scalisi states that he has been to the UK to teach EU affiliates and third parties about the advertising and marketing strategies employed in the USA, in regard to bodybuilding supplements and publications.

7) He continues:

"8. Muscle Tech products are typically launched first in the United States before the United Kingdom. This is common practice for most of our North American competitors. Examples of Muscle Tech products previously launched first in the United States and then in the United Kingdom include CELL-Tech, Nitro-Tech, CREAKIC and GAKIC.

9. There is often a time delay between launch of a product in the United States and the product being available in the United Kingdom. This is for a number of reasons, including the fact that the regulatory and advertising regimes are different in the United Kingdom from the United States. It is also because the United States is our key market and we place an emphasis on launching products in the United States first before then moving on to launching those products in other countries, including the United Kingdom.

10. There is no standard time period following launch of a product in the United States until the product is made available in other countries, including the United Kingdom. The period may be weeks or months.

11. In some exceptional cases, a product may be launched in the United States but not subsequently launched in other countries. Generally, though, we would look to launch a new product in all our key markets. Our customers outside the United States, on hearing of a new product launch in the United States expect to see it launched subsequently in their market. This is especially true for major new product launches in the United States. I am not aware of any major new product that has been launched by Iovate in the Muscle Tech range within the last five years in the United States that was not subsequently launched in the United Kingdom. Such products include MASS-TECH, CELL-TECH, NITRO-TECH, CREAKIC, APLODAN and GAKIC.

12. LEUKIC is another example of a product launched initially in the United States and then in the United Kingdom. LEUKIC is also one of the most innovative products launched in the Muscle Tech range in recent years.

13. In addition, the same is true of our major North American competitors. Virtually all of our largest North American competitors launch their major new products initially in the United States and then in the United Kingdom.

14. Promotion of Muscle Tech product launches generally occurs through magazine and website/internet advertising. We also send email announcements and verbally share information regarding upcoming product launches with distributors, retailers and other third parties.”

8) Mr Scalisi states that his company began selling its LEUKIC product in December 2005. The product was launched via the Internet as well as through advertisements in magazines, some of which have issue dates of January or February 2006 in order to give the magazine a longer shelf life but were actually on sale in December 2005. At exhibit VS1 he provides pages from a variety of magazines on sale during the period December 2005 – April 2006. He claims that these magazines are among the most prominent and widely read in the industry. All featured large advertisements for the product. On 20 January 2006 the company sent out 100,000 emails to clients who had previously registered with the company. Of these, 300 had “.co.uk” as part of their domain name. The email is shown at exhibit VS3 and refers to the “GAKIC/LEUKIC STACK”. They also attended and exhibited at the Arnold Schwarzenegger Classic, which Mr Scalisi states, “is one of the key bodybuilding market trade shows, attended by people from throughout the world. Most of our competitors, as well as supplement distributors, attend and promote their products at this event.”

9) Lastly, he comments on the development of the mark:

“22. The name LEUKIC was created by Iovate’s marketing department. One of the reasons behind the choice of the name was that [there] were other Muscle Tech products that also contained the –KIC suffix. These include GAKIC, launched before LEUKIC and CREAKIC, launched after LEUKIC. GAKIC was

launched before LEUKIC and therefore it was felt that the LEUKIC product would benefit from the association with this existing products; we had the same rationale for CREAKIC. In addition, the LEUKIC, GAKIC and CREAKIC products are designed in such a way that they can be combined in what is known as a “bodybuilding stack”. A bodybuilding stack can help a bodybuilder make more substantial gains than they would if using one of those products in isolation. Therefore, the choice of name was further intended to emphasise the fact that these products inter-related and would suggest to the consumer a connection between them. The connection between the LEUKIC, GAKIC and CREAKIC products must also have been apparent to MaxiMuscle.

23. Iovate, through its affiliated entities, holds valid trademark registrations (or has applied for trademark registrations) for the marks LEUKIC, GAKIC and/or CREAKIC throughout the world. A list of such registrations or application numbers is attached hereto as exhibit VS4.

24. MaxiMuscle has a history of mimicking and copying Muscle Tech’s brand names. By way of example, MaxiMuscle’s “Maxi GAKIC” is a direct imitation of GAKIC, created and developed by Muscle Tech (launched before LEUKIC). Following the successful and heavily promoted launch of the Muscle Tech GAKIC product in around July 2005, MaxiMuscle filed UK applications to register the marks GAKIC (application number 2407585, filed 25 November 2005 and now withdrawn) and MAXI-GAKIC (application number 2416106 filed on 9 March 2006). I understand MaxiMuscle has instituted proceedings to seek to invalidate the “GAKIC” Community trademark held by Iovate, further exposing its campaign to capitalize on Muscle Tech’s brand names. MaxiMuscle has also applied for MAXI-LEUKIC (application number 2429317 filed on 8 August 2006).”

10) Exhibit VS4 shows a list of registrations/applications for the trade marks GAKIC, LEUKIC, CREAKIC, GAKIC.COM and GAKIC-TECH.

11) The second witness statement, dated 4 September 2007, is by Jeremy Deluca the Vice President of Bodybuilding.com located in Boise, USA. He states that his company is an online retailer and manufacturer of sports supplements and nutritional products. The website receives approximately 225,000 visitors daily and is said to be the world’s most popular website aimed at the bodybuilding market. As at August 2007 his company had received over 2 million orders via its website. Mr Deluca states that his website contains 18,000 pages of information on bodybuilding and fitness and that, to date, over eleven million posts have been made on the forum offered to users. They have 733,890 registered users, of whom 1900 are located in the UK. He confirms that his website advertised and offered for sale the LEUKIC product of the opponent from December 2005. He states that the first order for this product from the UK was on 28 February 2006 and by 15 March 2006 they had received ten orders.

12) The third witness statement, dated 3 September 2007, is by Gary Hill a Director of Tropicana Health and Fitness (THF) based in Sutton Coldfield. In addition he is the editor of the UK edition of the bodybuilding magazine Musclemag and has been involved in bodybuilding for approximately twenty years. His company is a leading importer and distributor of sport supplements and nutritional products in the UK, and

also operates an online retail outlet. The company sells its own branded items as well as a range of other brands. His company has been importing the opponent's goods for approximately ten years and these are supplied to hundreds of trade distributors, gyms and other retailers in the UK. Mr Hill states:

“4. At THF we receive enquiries from customers in the United Kingdom regarding new products generally. Sometimes these enquiries relate to products that have not yet been launched in the United Kingdom. We often get enquiries from customers in relation to new MuscleTech products (and other products manufactured by our United States suppliers) before those products are available in the United Kingdom. In my experience products manufactured by companies in the United States, including the MuscleTech range of products, are almost always launched in the United States before being launched in the United Kingdom.

5. Where MuscleTech launches a new product in the United States the demand for that product in the United States is often very high. As a result we sometimes experience difficulties in obtaining stock of MuscleTech's products in the United Kingdom for a period following the product's launch. This is because the United States is Iovate's leading market and we sometimes have to wait a few months until the initial demand for the product in the United States has been met before there is sufficient stock available for importation into the United Kingdom.

6. Our customers get information regarding new products from a number of sources including bodybuilding magazines, websites and word of mouth. As a result customers will often be aware of the launch of a product in the United States and will enquire about its availability in the United Kingdom. “

13) Mr Hill states that although there are UK editions of United States magazines, the original US versions are also available in retail outlets in the UK. The US versions can have features and/or advertisements for products which have yet to reach the UK. He also states that there are a number of websites for bodybuilders and although most are based in the USA he is aware of a number of his UK based customers who view the USA sites in addition to the UK ones.

14) Mr Hill confirms that he received an email from the opponent on 29 November 2005 stating that the product LEUKIC would be available in the USA as of 19 December 2005. On 14 February 2006 he received an email from James Bridge of Bodyshapers Fitness Ltd. This company is described as a large internet based retailer in the UK and a customer of Mr Hill's company. The email stated that Mr Bridges had received enquiries from customers wishing to purchase LEUKIC, even though it had not been launched in the UK at this time. He states that the first shipment of LEUKIC to his company was dated 15 March 2006; he provides a copy of the invoice at exhibit GH4. He states that on 21 April 2006 he ordered a further 1200 units of LEUKIC. The product was first advertised in the UK via his magazine in the May edition which would have been available for purchase on 19 April 2006.

15) The fourth witness statement, dated 4 September 2007, is by Labros Dimitropoulos a store manager for a large international speciality retailer of

nutritional products which also sells sports supplements and nutrition products. He has held this position for seven years. In addition he has been using such supplements for ten years and has been interested in bodybuilding for twelve years and is a keen exponent. He states that he obtains information on the products he takes from magazines and the Internet. Some of these are UK based, others originate in the USA. He states:

“5. When a new nutritional sports product is released on the market I tend to hear about it quickly. Generally I might hear of a new product launched in the US, particularly if it is well received, within a week or so of its launch even though its launch may be in the US only. I am aware that some of these products may take up to a year before they are launched in the UK. “

He continues:

“7. I currently use Leukic to complement my training regime. I first heard of Leukic through the internet, through the MuscleTech website at [www.muscletech.com](http://www.muscletech.com). I recall that Leukic had generated a lot of interest in the market and the stack or combination of Creakic, Gakic and Leukic was selling well in the US.

8. In my experience the launch of a major new product in the US generates a lot of interest in the UK. Customers in the UK see the launch of a new product via the internet, review the scientific studies and the sophisticated websites that accompany the new product and are desperate to get the product in the UK. However, they are often disappointed that there is often a significant time delay between the product being launched in the US and it being available for purchase in the UK. I recall that Leukic took some time between its launch in the US and it being available in the UK.”

16) The fifth witness statement, dated 31 August 2007, is by Craig Johnstone, a personal trainer, who has been interested in body building for eleven and a half years. He states that he uses a range of vitamins, supplements and minerals and that he tries to keep up with developments in dietary supplements as part of his role as a trainer as clients ask for his advice on such issues. He obtains his information from other bodybuilders, friends in the industry, magazines and the internet. The internet sites he uses are based in the US but Mr Johnstone says they are used by UK bodybuilders, particularly the forums. He states that most developments in bodybuilding originate in the US and then spread to other countries. He states:

“7. If a product is launched in the United States, then it tends to be launched in other countries as well, including the United Kingdom. Since the United States has the biggest market for dietary supplements, it is normal for new products to be launched there first and then make their way to the United Kingdom. In my experience there is usually a time delay between a new product being launched in the United States and it being available to buy in the United Kingdom which means that during this period customers in the United Kingdom are waiting for the product to become available.”



17) The sixth witness statement, dated 4 September 2007, is by David Brooks the opponent's Trade Mark Attorney. He describes how he visited a number of newsagents both near his office in central London and Wimbledon. He purchased a number of US magazines dealing with bodybuilding. They are all magazines identified by Mr Scalisi as carrying advertisements for the opponent's LEUKIC product. This exercise was carried out on 2 and 3 September 2007. Mr Brooks visited a range of newsagents from national to independent stores. The magazines he purchased were all recent editions and in most instances the sales assistant confirmed that the magazines had been stocked for years. The same magazines are also readily available from the Internet from a UK based source, The Magazine Café. The front pages from the various magazines he purchased are provided as exhibits to his statement.

18) Mr Brooks then searched the internet to ascertain whether there had been any discussion regarding Leukic prior to 15 March 2006 from UK users. He provides numerous print outs from forums; although it is not always clear whether the writer is based in the UK, some clearly are, others are clearly in the USA. It is clear that there was considerable debate regarding the product LEUKIC prior to 15 March 2006 and that a considerable number of those using the forum had seen advertisements in various bodybuilding magazines. Mr Brooks states that his research corroborates the statements of other witnesses that UK consumers view events in the USA via the internet and US magazines and that the product was known to UK consumers prior to 15 March 2006.

19) Mr Brooks then describes the difficulties in obtaining witness statements from those involved in the bodybuilding industry in the UK, such as the national associations, gyms and retail outlets. He states that this is because MaxiMuscle sponsors competitions and that gyms and retailers sell the applicant's products. Those approached did not want to damage their commercial relationship with the applicant. Mr Brooks did manage to speak to one individual involved at a high level in one of the national associations; however, the person would not agree to provide a witness statement for the reasons already stated. He did agree to explain aspects to Mr Brooks who provides the hearsay evidence. The following is a summary of this evidence:

- a) The main source for information for UK bodybuilders is the internet with the secondary source being magazines.
- b) Bodybuilders share tips and advice regarding their own experiences with supplements on the internet. Although some keep the combination of supplements secret to maintain a competitive edge.
- c) Most of the magazines in the UK are either imports from the USA or are UK editions of US magazines. Many are thinly disguised advertisements for dietary products, most of which originate from the US.

20) Lastly, he provides at exhibit 13 a print out from the website <http://www.gymratz.co.uk/bodybuilding-supplements/item373.htm> which offers the opponent's MAXI-GAKIC for sale. It states:

“Most of you will have heard of a similar product from Muscletech. Muscletech’s well publicised and acclaimed GAKIC is a trademark ingredient. It’s always difficult to work out exactly what’s in a trademarked product for obvious marketing reasons. Although, to my knowledge it’s a sugary carb spike with L-Arginine. It’s unusual, but very clever, that MaxiMuscle have released a product carrying a similar name-MAXI GAKIC- Maximuscle MAXI-GAKIC claims/blurb are the same and the price is less (thumbs up!).

Now that Maximuscle’s MAXI-GAKIC has been released it looks as though the ingredients (see below) are very similar to the Muscletech version, so it’s certainly worth a try.”

## **APPLICANT’S EVIDENCE**

21) The applicant filed five witness statements. The first, dated 25 April 2008, is by Roger Daniel Anthony Davis one of the applicant’s Trade Mark Attorneys. He describes how he visited seven newsagents in the Woking/Guildford area. In fact he lists only six. He found five UK magazines on sale and only one US magazine.

22) The second witness statement, dated 25 April 2008 is by Sarah Louisa Shears, another of the applicant’s Trade Mark Attorneys. She states that she visited the websites listed by Mr Brooks and found that the number of “hits” shown for the sites increased with every page viewed rather than per visit. She also states that many of those who comment in such forums have a vested interest such as working for a particular company, some reveal this information but others may not. She states that [www.musclesoc.com](http://www.musclesoc.com) is not solely aimed at the UK market as claimed by the opponent. Although the two major advertisers are UK based, and are actually associated companies, the advertisements show prices in UK£, US\$ and also Euros. The site has 1,837 registered users and is owned by a UK resident who monitors the forum. She states that there was only one discussion involving the word “Leukic” and this involved only six of the registered members, of which only three are definitely located in the UK.

23) Ms Shears also visited [www.muscletalk.co.uk](http://www.muscletalk.co.uk) a forum which has 31,621 registered users. Ms Shears could find no reference to “LEUKIC”. She did search for the profiles of those identified by Mr Brooks and found that they were infrequent users, had last posted on the site some time previously or were not based in the UK. The site [www.acrocat.co.uk](http://www.acrocat.co.uk) is actually a software discussion forum which has a section on fitness and nutrition. There are only 459 registered users with only four posts since September 2005. She states that the website [www.bodybuilding.com](http://www.bodybuilding.com) is clearly aimed at the US and has over 1 million registered users with 40,000 new messages posted each day. She disputes that Mr Brooks could have searched a specific time period as she states such a facility is not available on the site. She also points out that even if Mr Brooks were correct, 300 posts out of 40,000 per day significantly lessens the likelihood of the message being seen. Further, the twenty five different users identified by Mr Brooks as having commented on LEUKIC, represent less than 0.003% of the registered user population.

24) Ms Shears then carried out a search via Google for bodybuilding forums in the UK and worldwide. She found 464,000 and 4,430,000 respectively. She points out

that both are very large numbers and queries how Mr Brooks selected only four, one of which is a software site. The first pages of both Ms Shears searches are provided at exhibits SLS16 and SLS17 and show fourteen sites. These sites were investigated further. Two were found not to have a forum, four were established after September 2006 and one had no mention of “Leukic” on the site. The results for the other sites were as follows:

- i) [www.uk-muscle.co.uk](http://www.uk-muscle.co.uk): Established July 2003, it has 15,132 registered users. The earliest mention of Leukic was on 26 June 2006; the topic had just eight replies.
- ii) [www.musclechat.co.uk](http://www.musclechat.co.uk): Established in January 2004, it has 6,508 registered users. The earliest mention of Leukic was on 20 November 2006 and it is only mentioned once in this topic.
- iii) [www.discussbodybuilding.com](http://www.discussbodybuilding.com): Established in April 2003, it has 16,019 registered users. Ms Shears states that the spelling, time zones and format show that this is mainly a US forum. There were 221 mentions of Leukic but Ms Shears did not investigate further due to time constraints.
- iv) [www.ironmagazineforums.com](http://www.ironmagazineforums.com): Established in November 2000, it has 36,326 registered users. Again Ms Shears states that this is predominantly a US focussed forum, Ironman being a US based magazine. Prior to 15 March 2006 there was only one mention of Leukic. Only three people commented, two from the US, one from the UK.
- v) [www.bodybuildingforyou.com](http://www.bodybuildingforyou.com): Established in January 2004, it has 16,325 registered users. Another site which is US based and focussed. The earliest mention of Leukic was on 25 December 2005, when fourteen different users commented. Of those that revealed their location, eight were in North America and one in Norway. This site had a number of other mentions of Leukic prior to 15 March 2006 with most of the participants being from North America where they identified their location. None of the topics elicited a great deal of response, only totalling 50 respondents for all the topics.
- vi) [www.anasi.org](http://www.anasi.org): This is linked to the United States Department of Health and Human Services and has 22, 435 registered users. It would appear to be aimed at the US market. Only one topic mentions Leukic prior to 15 March 2006 and this topic was commented on by only two users. The next mention on this site was on 5 November 2006.

25) Ms Shears provides copies of all the webpages she refers to in her statement in exhibits SLS1-SLS63.

26) The third, fourth and fifth witness statements, dated 25 April 2008, 25 April 2008 and 28 April 2008 respectively are all by Zef Eisenberg the President of the applicant company. He states that he founded the company and has been involved in the sports nutrition market for over twenty years. He states that his company is the leading UK sports nutrition brand. He states that he has been actively involved in UK and EC

legislation with regards to food supplements and health. He states that he is “widely considered to be at the cutting edge of sports nutrition in Europe with regard both to new formulas and the legislation. I have been and continue to be the architect for new sports performance formulations, novel research and claims with regards to nutritional ingredients.” He also states that he has been published widely and is the biggest selling author in the sports performance arena in the UK.

27) Mr Eisenberg states that his company concentrates mainly on the UK and mainland Europe markets. They have never sold products in the USA on any meaningful scale and he states that the UK and US markets are very different.

28) He provides the following turnover and marketing figures:

Tax Year ending April	Total Retail Sales £million	Marketing Spend £ million
2005	19	1.224
2006	23	1.418
2007	36	1.941

29) The applicant sells its products in a variety of outlets from gyms and gym chains to major high street retailers. At exhibit ZE-1 he provides a list of approximately 3,000 stockists that sell the applicant’s products. The company promotes its goods via magazines and also through sponsoring both sports persons and institutions. At exhibits ZE2-7 he provides examples of the advertisements and news coverage of the applicant’s products. The sports covered by the sponsorship include athletics, rugby, rowing, martial arts, cycling, boxing and bodybuilding. He states that his company is increasingly focussed on mainstream sports. He states that because of changes to legislation, the applicant’s product range is constantly changing and evolving with new products being developed and launched and old products being improved, discontinued or re-launched. All the applicant’s products are sold under the house brand “MAXIMUSCLE”. They also make use of “MAX” and “Maxi” as both a prefix and a suffix. The name of their products also provides an indication of what the product will do or what it contains e.g.

PROMAX: a high protein supplement.

CREATAMAX: the active ingredient is Creatine.

PROGAIN: a high protein weight gain formula.

CEE-max: this product contains a Creatine Ethyl Ester formula.

CLA: the active ingredient is Conjugated Lineoic Acid.

ZMA-kick: a growth hormone booster.

30) Mr Eisenberg also states:

“20. Another suffix that we have used from time to time is KIC. The suffix KIC stands for ketoisocaproate acid which is a keto acid of the amino acid Leucine, or LEU. KIC has been used as a common abbreviation of ketoisocaproate acid for a number of years and certainly since well before Maximuscle’s application for LEUKIC or Foreign Supplement Trademark Limited’s use of LEUKIC in the US. KIC is often used by athletes and bodybuilders to build muscle size and improve strength, it is thought to work because it is an anti-catabolic, which

means that it contributes to muscle growth by helping the body from a catabolic i.e. muscle wasting, state to an anabolic i.e. muscle building, state.”

31) At exhibits ZE9-ZE12 he provides articles from websites and printed matter which refer to “KIC” as an abbreviation of ketoisocaproate. These are dated 1998-2000. He states that “Kic” lends itself, in marketing terms, to being referred to as “kick” which is apposite when referring to training or athletic performance. His company sells such items as “Creatakic”, “Iron Kick”, “GH Kick”, “Maxi-Gakic” and plan a number of others with “Kic” or “kick” in them. The applicant has a number of trade marks registered with the suffix “KIC” or “KICK” applied for since 1999, a list is provided at exhibit ZE15. This exhibit shows seven marks, four have as their second word (albeit hyphenated in two instances) the word “KICK”; these were applied for prior to the instant mark. Three have the suffix “KIC” and were applied for after the instant mark.

32) Mr Eisenberg explains that changes in the law meant that the supplements that his company were selling risked being deemed as medicines and therefore would have been available on prescription only. His company was active in lobbying the Medicines and Healthcare Products Regulatory Agency (MHRA) formerly the Medicines Control Agency (MCA) to ensure that it could continue to sell its products. Ultimately they were successful but there was a period where some of their products were deemed to be medicines. At exhibits ZE16-ZE19 he provides a small sample of documents outlining the lengthy discussions. During these discussions the applicant was seeking new products in order to replace those under threat. The new product would not contain hydroxyl methyl-butyrate (HMB) which had been ruled, at one stage, to be a medicine, but Leucine and KIC which had similar properties but which had been ruled as non-medicinal. Mr Eisenberg states that the name LEUKIC was the logical abbreviation of the two ingredients. He states “Leucine is an essential branch chain amino acid and is required for the development of lean muscle, proteins and optimum recovery, making products containing Leucine popular with endurance athletes and gym users. As such it is a popular ingredient in nutritional supplements and can be found in Maximuscle’s PROMAX, PROGAIN and CYCLONE products.”

33) Mr Eisenberg states that Leucine is commonly abbreviated to LEU, at exhibits ZE20-23 he provides printouts from dictionary and medical webpages. He also points to use of LEU by other parties as part of their trademark. But the exhibit ZE24 does not show a date. He states that the product that his company is going to use the mark on contains both Leucine (LEU) and ketoisocaproic acid (KIC). He states that the choice of name was therefore very logical. He states that:

“At the time the name LEUKIC was conceived by Maximuscle I had not, and to the best of my knowledge no-one else at Maximuscle, had heard of Foreign Supplement Trademark Limited’s LEUKIC product. For the reasons I set out below I do not find this at all surprising.

At the date of application for Maximuscle’s UK trade mark for LEUKIC, I and to the best of my knowledge no-one else at Maximuscle, had heard of Foreign Supplement Trademark Limited’s LEUKIC product.

Maximuscle's genesis of the name LEUKIC was, as I have set out above, an amalgamation of the names Leucine or LEU and KIC and as such it was chosen to denote the content of the product and to take advantage of the fact that KIC is an abbreviation of KICK. It was not inspired or borrowed from Foreign Supplement[ 's] Trade Mark in any way."

34) Mr Eisenberg accepts that up until approx 1998, the UK did look to the USA for new developments and products in the nutritional supplement market. Even in 2003 this statement would have been partially true. However, he states that the US and UK markets have been diverging because of a tighter regulatory regime in the UK and EC and also by an increasing difference in attitudes towards nutritional supplements and those allowed. He states that the US nutritional supplement market caters for hardcore bodybuilders whereas the EC has increasingly moved towards sports people and gym users. He states that contrary to ten years ago there are now a large number of UK brands which outsell US brands in the UK and the products are very different to those found in the US. He states that many US products do not comply with EC law and, with US imports facing tariffs, they are struggling to command a viable market share. He also points to the increasing awareness of trading standards officers that US brands are illegal in the UK. Similarly, he states that companies such as his do not look to sell in the US. The extensive changes needed to the formula, ingredients, labels, advertisements and claims mean that the trade in nutritional supplements in the UK and US have diverged. He states that US companies such as EAS and Met-rx treat the US and EC as different markets and devise different products, labels etc and so enjoy success because of this. He claims that the opponent's product and advertising was shown by his company to trading standards and to the MRHA and both commented that the product, labelling, ingredients and marketing all fall foul of various UK laws. He continues:

"51. Against this background to suggest that Maximuscle as the UK's leading supplement company would be monitoring Foreign Supplement Trademark Limited's business and new products launches in the US and would then copy a name adopted by Foreign supplement Trademark Limited is both naïve and extremely arrogant. It is also completely untrue."

35) Mr Eisenberg accepts that there will be some interest in developments in the US from hardcore bodybuilders in the UK, but he states that the majority of consumers of nutritional supplements in the UK are regular sports people with no interest in the US market. He states that, previous to this case, he never visited the opponent's website nor did he receive any e-mails relating to new products from the opponent. He takes the same view with regard to the chat rooms and forums evidence put forward by the opponent. He also points to the advertisements for the opponent's products carried by the website [www.bodybuilding.com](http://www.bodybuilding.com) operated by Mr DeLuca, who provided a witness statement for the opponent.

36) Mr Eisenberg states that on 23 April 2008 he spoke with Mr Chiefetz the Managing Director of Weider UK Publishing. Mr Chiefetz informed him that the US version of *Muscle & Fitness* and *Flex* are not sold in the UK as part of an agreement between the US owners of these titles and Weider UK Publishing. The exception to this is the store Borders who also have stores in the US and transfer copies to their UK stores. However, Mr Chiefetz estimates the number of magazines transferred each

month by Borders to be in the region of one hundred copies. Mr Chiefetz also provided circulation figures for other US magazines such as *Muscle Development*, *Body Fitness* and *Planet Muscle* which totalled fewer than six thousand compared to just over 400,000 for the UK editions of *Muscle*, *Muscle and Fitness*, *Flex*, *Men's Fitness* and *Men's Health*.

37) Mr Eisenberg also makes a number of points which are more submissions than evidence. I shall refer to these as and when relevant in my decision.

### **OPPONENTS' EVIDENCE IN REPLY**

38) The opponent filed a second witness statement, dated 29 July 2008, by Mr Brooks the opponent's Trade Mark Attorney. He takes issue with the statement by Mr Eisenberg that bodybuilders do not form a large part of their customer base. He points out that the applicant states in its evidence that the product LEUKIC was a replacement for HMB which had been deemed medicinal. HMB is a supplement aimed at bodybuilders, as is made clear in the applicant's 2006 catalogue, a copy of which he provides at exhibit DB14. Whilst the catalogue highlights a number of well known sportsmen from fields such as rugby, boxing, athletics and kayaking, certain products are identified by the applicant as being for bodybuilders. At exhibits DB15-17 he provides copies of some of the UK magazines that the applicant advertises in and points out that they are aimed at the bodybuilding sector of the market, and also that the opponent advertised in the same magazines. Therefore, he claims, the two parties are competitors in the same market and that there is considerable overlap in their products. He points out that the UK is very important market for the opponent and this is corroborated by the fact that the opponent has a higher advertising presence than the applicant in the UK publications, *Flex*, *Muscle & Fitness* and *Musclemag*. Given this, Mr Brooks cast doubt on the applicant's claim of being unaware of the opponent's activity in the UK or what it was doing in the US knowing that it would soon be coming to the UK.

39) Mr Brooks also points out that the applicant sponsors a number of bodybuilders, as shown in exhibits ZE3-7 of the applicant's evidence and also sponsors a number of bodybuilding events set out at exhibit DB18. The applicant's own website also has a number of references to bodybuilding, see exhibits ZE5 and DB19. Mr Brooks refers to the applicant's catalogue at exhibit DB14, page 40 where the applicant refers to a product NO2. It states "NO2 is the number 1 selling product in the US and is now exclusively available from Maximuscle". Also, "Maximuscle uses the same NO2 as used in the American labs that invented and patented it". At exhibit DB20 he provides pages from a website [www.maximuscle.com/no2](http://www.maximuscle.com/no2) from 23 October 2006 (the earliest record available). This mentions that NO2 is very popular in the US and also states "This product is not available to customers residing in the USA". This, claims Mr Brooks, shows that the applicant was selling to the US.

40) At exhibit ZE2 of the applicant's evidence there is an advertisement for Maxi-Gakic at pages 1 and 3. The advertisement includes the following: "Bodybuilders and strength athletes in the States have been raving about its amazing strength benefits". Mr Brooks views this as showing that the applicant is aware of developments in the US and sees the success of a product in the US as being advantageous in the UK. Mr Brooks also supplies other instances where the applicant has, in publications and



advertisements referred to products etc from the US, exhibits DB22-24 refer. Further, at page 41 of exhibit DB14 and also exhibit DB25 there are references in the applicant's advertising to products being "the hot subject in hardcore gyms and web chat rooms".

41) Mr Brooks refers to paragraph 52 of Mr Eisenberg's first witness statement where he stated:

"I certainly do not have time to read marketing material put out by one of the many supplement companies in the US, of which there are hundreds, where this has no bearing on Maximuscle's market."

42) He compares this with a number of websites which are either owned by Mr Eisenberg or by Forge Ltd a company of which he is a Director and majority shareholder. Printouts from these websites are provided at exhibit DB26-28. These show a photograph of Mr Eisenberg with the words "Zef Eisenberg's Muscle Bulletin". In one of his articles Mr Eisenberg refers to a whey protein powder which claimed to use "Nano-molecular hyper dispersion" technology. Although the product is not named, Mr Brooks points out that the words in brackets above is a trade mark used by the opponent to advertise its Cell Tech Hardcore and Nitro-Tech Hardcore products. In his article Mr Eisenberg describes how he researched over many hours the claims made for this technology which included looking at the PubMed research database, the latest sports nutrition conference proceedings and even "called up my research contacts at the three biggest protein manufacturing houses in the world..." He then goes on to recommend ignoring the product and instead using products such as HMB and Creatine which are hyperlinked to the applicant's website as they are his company's products. Mr Brooks states that this shows that Mr Eisenberg does indeed investigate new products and reads the marketing information sent out by US companies and engages in considerable research on the products.

43) In further copies of Mr Eisenberg's "muscle bulletin" at exhibits DB30- 36 there are references to the opponent's GAKIC product, comments on US advertising where Mr Eisenberg mocks the use of before and after photographs, discussing three US brands producing "myostatin blocking" and other US products. He also refers to his company's future plans when stating "The frustrating thing is we realise there's opportunities in other countries and the US, but just can't do it yet". This, Mr Brooks suggests indicates that the applicant has considered a future expansion into the US.

44) Mr Brooks continues:

"70. On 7 February 2007, the House of Commons Science and Technology Committee released a report on Human Enhancement Technologies in sport. The report published the results of an inquiry into the use of illegal performance enhancing drugs in sport. A memorandum from Mr Eisenberg is included in the Committee report, a copy of which is at exhibit DB36. In this memorandum Mr Eisenberg refers to legislative changes that have taken place in both the US and the UK (see page 2):



“At this time the inclusion of prohormones in supplements was legal both in the UK and the US and there was potential for cross contamination of dietary supplements.

Legislative changes removed prohormons from the dietary supplement market first in the UK on 1 January 2004 and on 1 January 2005 in the US.”

71. In paragraph 21 of his first witness statement, Mr Eisenberg refers to Exhibit ZE11 which contains extracts from the magazine “Muscle Media”. This is a US publication. The articles exhibited refer to an interview with an American professor at Iowa State University. The fact that Mr Eisenberg includes Muscle Media in his evidence demonstrates that it is a US publication that he is aware of and which he obviously considers to be relevant to the UK market.”

45) Mr Brooks points out that the second paragraph of the quote by Mr Eisenberg shown at paragraph 33 above and at paragraph 39 of his statement, shows that at the date of application he knew of the LEUKIC product even though no-one else in his company knew of it, although how Mr Eisenberg can speak to the level of knowledge of others in his company is not made clear. Mr Brooks poses the question as to why the mark in suit does not have the word “MAXI” as a prefix or suffix as this is said to be important to the applicant. He also states:

“78. Even if it is accepted that a mistake was made when the applicant filed for GAKIC, it seems a remarkable coincidence that less than nine months later, the Applicant once again filed an application for a trade mark that was identical to the name of another product recently launched by the Opponents in the United States, indeed this product was even in the same “family” of products as GAKIC.”

46) Mr Brooks queries why the applicant was silent regarding the absence of the MAXI suffix/prefix to the mark in suit. He also points out that the “family” of KIC marks referred to by the applicant could have been adopted after March 2006 and so is of no assistance to the applicant. He points out that Exhibit ZE15 shows only GH KICK, IRON KICK, TESTO-KICK and THERMO-KICK as predating 15 March 2006. All these have the word KICK not KIC included in them, and none contain ketoisocaproate acid. He states that only LYSKIC, TAURKIC and CREAKIC are identified as containing ketoisocaproate acid and trade mark registrations for all these products were filed after 15 March 2006. Further, he points out that CREAKIC is his company’s product and was registered by his company in the US on 21 November 2005. He states that in paragraph 22 of the applicant’s statement, Mr Eisenberg refers to a product called “CREATAKIC” which a search of the applicant’s website reveals is not available for purchase and has yet to be launched.

47) Mr Brooks comments on the website that the applicant referred to for evidence that KIC was a common abbreviation for ketoisocaproate acid. The website NUTRILINE is referred to in paragraphs 22 and 33 as well as exhibits ZE9, ZE13 and ZE20 of Mr Eisenberg’s statement. However, the website is owned by Forge Ltd and Mr Eisenberg is a Director of this company. The website itself states that the newsletter is created by Forge Ltd, exhibit DB40 page 1 refers. Also Forge Ltd owns the trademarks NUTRILINE, MUSCLEBULLETIN and SPORTSBULLETIN. Mr

Brooks provides copies from the Registry's website to back up these claims. Mr Brooks questions why the applicant did not reveal this connection and casts doubt on the value of such evidence.

48) Mr Brooks repeats his contention that US editions of bodybuilding magazines are readily available in the UK. He points out that the comments attributed to Mr Cheifetz are hearsay and that the applicant has a relationship with the applicant. He points out that Borders is a nationwide chain with approximately 8% of the UK retail bookselling market. He provides evidence that W H Smith, another nationwide retail chain, also stock US editions of *Men's Workout* magazine. He points out that the figures provided by the applicant for UK sales of US magazine are not corroborated and it is not clear if they take into account subscribers to the US magazines. He states that the magazines *Men's Fitness* and *Men's Health* are not aimed at bodybuilders but at general gym users.

### **APPLICANT'S ADDITIONAL EVIDENCE**

49) The applicant filed another witness statement, dated 31 October 2008, by Mr Eisenberg. He accuses the applicant of selectively quoting him and taking his comments out of context. He reiterates that his company targets all sportsmen including bodybuilders, whereas the opponent is exclusively concerned with bodybuilders. He repeats that HMB is aimed at all athletes wanting to gain lean muscle size and strength such as cyclists and triathletes. Mr Eisenberg states that the US and European markets have polarised over the last five years, with Europe now looking for "natural body builders" whereas he states that the US still concentrates on the traditional "steroid" bodybuilder. He points out that a number of European bodybuilding competitions now have drug testing as part of the regime.

50) Mr Eisenberg states that although aware of the historical contribution of the US to bodybuilding, this is different to an in-depth knowledge of the US bodybuilding supplement market. He repeats that the UK and US markets are very different with different regulatory requirements and increasingly different cultural considerations.

51) Mr Eisenberg points out that his company's advertising for NO2 had only broad references to the US and all claims are tightly controlled by the rules of the MHRA and ASA. He states: "In broad terms these rules prohibit the making of claims about what these products will do. This can make it difficult to run meaningful advertisements and therefore it is common to refer to ingredients as being patented and to make some broad references to successful sales in other markets." He repeats that in order to sell his company's products in the US the composition would have to be amended and the reverse is also true. He also reiterates that his company has no interest in the US market, nor do they monitor the US market.

52) With regard to the mark GAKIC Mr Eisenberg comments that it is his belief that OHIM should not have accepted the mark although his invalidity application against the mark has recently been refused. He states that the advertisement for his company's PROMAX meal refers to the difference in labelling laws between the US and UK because he was aware that a number of UK distributors were fined for contravening UK laws at the time this advertisement was being put together. It should not, he claims, be read as meaning that he has knowledge of US labelling standards. At

exhibits ZE35-37 he provides press releases referring to ASA action against advertisers making unacceptable claims for supplement products.

53) Regarding Muscle Bulletin, he admits that he is the editor but says that he has never denied this fact. He states that he does not write all of the articles within the site but he acts as an editor, seeing the articles before they are published. He refers to certain of his articles that were commented upon by the opponent.

“32. Mr Brooks refers to an article in which I have talked about the nutrient GAKIC. As I have already explained in my previous statements. GAKIC is the every day name for a particular nutrient and stands for **G**lycine-**L**-**A**rginine-**alpha**-**K**etoisocapro**I**C acid. As I have also explained the Opponent has managed to obtain a Community Trade Mark for GAKIC. This registration is being challenged at OHIM by Maximuscle and part of the evidence in those OHIM proceedings is the fact that the ingredient GAKIC has been discussed and referenced in a number of widely available scientific articles. As I shall explain below, these are the kind of articles that Maximuscle habitually read, (they are freely available in the UK) and refer to in developing its products and it is therefore no surprise that I should have knowledge of an ingredient such as GAKIC. It does not follow from the fact that I read peer reviewed scientific journals, that I or anyone else would have any in-depth knowledge of the US supplement market.”

54) Regarding articles commenting on action taken by the UK authorities such as the ASA does not, he contends, constitute knowledge of the US market. He points out that a number of the US products he comments on were being sold in the UK and that some of his information came from literature supplied by a UK distributor. He repeats his contention that there are very few US brands which are active in the UK. However, he states that there are a number of US companies that have set up UK operations making products distinct for the UK market. He also states that the magazine “Muscle Media” went out of business prior to the conception of Leukic by the applicant.

55) Mr Eisenberg states:

“43.....I confirm, for the avoidance of any doubt, that I did not know of the Opponent’s LEUKIC Product at the date at which Maximuscle filed its UK Trade Mark Application. To the best of my knowledge it was not in [sic] advertised in any of the UK magazines, it was not sold in the UK nor was it mentioned in any of the science journals that I and the team read.”

56) On the issue of the creation of the mark in suit Mr Eisenberg states:

“47. I have always been responsible for the development of Maximuscle’s product names. In the case of LEUKIC, and as I have already explained, there was a real need to come up with a replacement name for our HMB product in case the ruling that the ingredient hydroxyl methyl-butyrate (HMB) was upheld we needed to replace a new product containing Leucine (LEU) which the MHRA had specifically not interfered with in its ruling, and KIC.

48. I discussed the issue with Maximuscle's Operations Director Kevin Peters, who I have worked with for many years and together we came up with the name LEUKIC which as I have said was a fairly obvious and common abbreviation of the name LEUCINE amalgamated with the common ending KIC. This was an informal discussion and there were no notes either formal or informal made. This is not untypical of how we work at Maximuscle.

48. As I have already explained hydroxyl-beta-methylbutyrate or HMB is a downstream metabolite of the amino acid leucine or LEU which is produced from ketoisocaproate acid or KIC. We were therefore working on the basis that the decision that HMB was a medicine would be upheld but that we would be able to sell some combination of leucine, hydroxyl-beta-methylbutyrate and ketoisocaproate acid and we were largely considering variations of KIC, LEU and HMB. Hence LEUKIC."

57) Later in his statement he comments:

"As I have also explained the name LEUKIC was arrived at following a discussion between Maximuscle's Operations Director, Kevin Peters and me. No one else from Maximuscle was involved. I confirm that I had no knowledge of the Opponent's LEUKIC product and/or its US trade mark application prior to 15 March 2006. I have also spoken to Kevin Peters and he has confirmed that he had no knowledge of the Opponent's LEUKIC product and/or its US trade mark application prior to 15 March 2006."

58) Regarding the development of the name GAKIC by his company he comments:

"54. Maximuscle generally adopts a "top down" approach to the development of new products. By this I mean that we review the evidence found in many of the scientific journals which publish peer review and research on new ingredients and sports science. We use publications such as Pub Med, the Lancet, and the Journal of Sports Medicine. These are all freely available by subscription over the internet in the UK and/or from the British Library. By doing this we are aware of new ingredients and science and we therefore hope to take a lead within our market with new products and claims, ahead of our competitors many of whom follow a "watch and copy" approach.

55. It was this top down approach which led us to the ingredient GAKIC. This ingredient had some research published about it (for the avoidance of doubt none of this research mentioned the Opponent). We then conducted our own research into GAKIC as there was no easily available source for such research. This research had very positive feedback and led to us launching the product."

59) He confirms that Nutriline was set up by him and that he is one of the partners who own the website, however the applicant company does not own the website. He states that the site is self funding and accepts advertisements from a number of companies other than the applicant. He states that the articles contained on the site are written by independent sports scientists and that the site is not biased to the applicant company or its products.

60) That concludes my review of the evidence. I now turn to the decision.

## DECISION

61) As part of its written submissions the opponent provided evidence regarding the applicant such as the applicant's Annual Reports and financial statements made to Companies House, and documents regarding the applicant's commercial activities in the USA. This evidence has not been correctly filed and the applicant has not had an opportunity to file evidence in reply. If the opponent had wished to rely upon such evidence it should have filed it during the normal evidence rounds, or even as additional evidence prior to written submissions. It would appear that the contents were available prior to the filing of submissions. I shall not, therefore, take the contents of the annexes supplied, or the contentions which rely upon this new evidence, into account in my decision.

62) The only ground of opposition is under Section 3(6) which reads:

“3. (6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.”

63) Section 3(6) has its origins in Article 3(2)(d) of the Directive, the Act which implements Council Directive No. 89/104/EEC of 21 December 1988 which states:

“Any Member State may provide that a trade mark shall not be registered or, if registered, shall be liable to be declared invalid where and to the extent that...

(c) the application for registration of the trade mark was made in bad faith by the applicant.”

64) The Directive gives no more clue as to the meaning of “bad faith” than the Act. Subsequent case law has avoided explicit definition but has not shirked from indicating its characteristics. In *AJIT WEEKLY Trade Mark* [2006] RPC 25, Professor Ruth Annand sitting as the Appointed Person held as follows:

“[35] ... Bad faith is to be judged according to the combined test of dishonesty for accessory liability to breach of trust set out by the majority of the House of Lords in *Twinsectra Ltd v Yardley* [2002] 2 AC 164, with *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 providing the appropriate standard, namely acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined.....

[41] ... the upshot of the Privy Council decision in *Barlow Clowes* is: (a) to confirm the House of Lords' test for dishonesty applied in *Twinsectra*, i.e. the combined test [footnote omitted]; and (b) to resolve any ambiguity in the majority of their Lordships' statement of that test by making it clear that an enquiry into a defendant's views as regards normal standard of honesty is not part of the test. The subjective element of the test means that the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the

defendant's conduct is dishonest judged by ordinary standard of honest people, the defendant's own standards of honesty being irrelevant to the objective element....

[44] In view of the above and in particular the further clarification of the combined test given by the Privy Council in *Barlow Clowes*, I reject Mr Malynicz's contention that the Hearing Officer erred in failing to consider the registered proprietor's opinions on whether its conduct in applying for the mark fell below ordinary standard of acceptable commercial behaviour."

65) In asserting that the application was made in bad faith, the onus rests with the opponent to make a prima facie case. A claim that an application was made in bad faith implies some deliberate action by the applicant which a reasonable person would consider to unacceptable behaviour or, as put by Lindsay in the *Gromax* trade mark case [1999] RPC 10:

"includes some dealings which fall short of the standards of acceptable commercial behaviour".

66) The issue must be determined on the balance of probabilities. On the basis of these authorities it is clear that a finding of bad faith may be made in circumstances which do not involve actual dishonesty. Furthermore, it is not necessary for me to reach a view on Mr Eisenberg's state of mind regarding the transaction if I am satisfied that his action in applying for the mark in the light of all the surrounding circumstances would have been considered contrary to normally accepted standards of honest conduct.

67) The applicant referred me to the comments of Mr Arnold Q.C (as he was) when acting as the Appointed Person in *Extreme O/161/07* where he commented on the issue of unchallenged evidence and cross examination:

*"Unchallenged evidence*

33. *Phipson on Evidence* (16th ed) states at paragraph 12-12:

In general a party is required to challenge in cross-examination the evidence of any witness of the opposing party if he wishes to submit to the court that the evidence should not be accepted on that point. The rule applies in civil cases as it does in criminal. In general the CPR does not alter that position.

This rule [sic] serves the important function of giving the witness the opportunity of explaining any contradiction or alleged problem with his evidence. If a party has decided not to cross-examine on a particular important point, he will be in difficulty in submitting that the evidence should be rejected.

However the rule is not an inflexible one...

34. The authority cited in support of this statement of the law is the decision of the House of Lords in *Browne v Dunn* (1894) 6 R 67. The relevant passages

from the speeches are set out in the judgment of Hunt J in *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607, the material parts of which are quoted in the judgment of the Court of Appeal in *Markem Corp v Zipher Ltd* [205] EWCA Civ 267, [2005] RPC 31 at [59]-[60].

35. In my judgment the learned editors of *Phipson* are correct to say that the rule is not an inflexible one. There are at least two well-established exceptions to it. The first is that, as the speech of Lord Herschell LC in *Browne v Dunn* makes clear, it may not be necessary to cross-examine on a point if the witness has been given full notice of it before making his statement. As I pointed out in *BRUTT Trade Marks* [2007] RPC 19 at [23], this may be significant in registry proceedings where evidence is given sequentially. The second is that a court is not obliged to accept a witness's evidence in the absence of cross-examination if it is obviously incredible: see *National Westminster Bank plc v Daniel* [1993] 1 WLR 1453.

36. Where, however, evidence is given in a witness statement filed on behalf of a party to registry proceedings which is not obviously incredible and the opposing party has neither given the witness advance notice that his evidence is to be challenged nor challenged his evidence in cross-examination nor adduced evidence to contradict the witness's evidence despite having had the opportunity to do so, then I consider that the rule in *Brown v Dunn* applies and it is not open to the opposing party to invite the tribunal to disbelieve the witness's evidence.

37. Despite this, it is not an uncommon experience to find parties in registry hearings making submissions about such unchallenged evidence which amount to cross-examination of the witness in his absence and an invitation to the hearing officer to disbelieve or discount his evidence. There have been a number of cases in which appeals have been allowed against the decisions of hearing officers who have accepted such submissions. Two recent examples where this appears to have happened which were cited by counsel for the proprietor are *Score Draw Ltd v Finch* [2007] EWHC 462 (Ch), [2007] BusLR 864 and *EINSTEIN Trade Mark* (O/068/07). Another recent example is *Scholl Ltd's Application* (O/199/06). I consider that hearing officers should guard themselves against being beguiled by such submissions (which is not, of course, to say that they should assess evidence uncritically)."

68) In view of the above the applicant contended:

"24. Accordingly, Maximuscle's contention is that in fact some issues are so central and the consequences so serious eg finding of commercial dishonesty, that fairness to the relevant party requires that the allegations are put in cross-examination and that the witness only be disbelieved where the tribunal has had the opportunity of evaluating the demeanour of the witness and his or [her] responses to the challenges to the evidence.

25. However, this point need not be resolved and Maximuscle's position is simply reserved, because there in fact has been no alternative challenge to Maximuscle's evidence, and nothing which would have given Maximuscle's witnesses a fair opportunity to answer any points against them:

- (1) It has never been suggested in the evidence or in any other way to Maximuscle that Mr Eisenberg or any of the other Maximuscle witnesses are not telling the truth on the central issue. Their evidence must therefore be accepted as truthful;
- (2) Foreign Supplement were invited to file evidence in reply to Maximuscle's further evidence but chose not to. Accordingly, they have declined the opportunity to put in any points in answer to paragraph 43 of the fourth statement of Mr Eisenberg in which Maximuscle confirm that they had no knowledge at the date they applied for their mark of any use of the mark LEUKIC by Foreign Supplement;
- (3) No other filing has been made by Foreign Supplement in which the truthfulness of the evidence of Maximuscle is challenged.

26. Accordingly, even if it is permissible for the central factual allegation to be challenged without cross-examination, there has been no other challenge by Foreign Supplement. The evidence of Maximuscle must therefore stand and the opposition must be dismissed.

27. For the avoidance of doubt, if Foreign Supplement in any submissions they make seek for the first time to challenge the truthfulness of the evidence, any such challenge is far too late, just as it was far too late in Extreme. They, as did the applicant in Extreme, declined to put in reply evidence, declined to cross examine the witnesses and have not in any other way challenged the veracity of Maximuscle's evidence that no one knew of the use of LEUKIC at the date of application by Foreign Supplement."

69) The opponent refutes the above contentions referring me to the comments of Mr Arnold Q.C. (as he was then) acting as the Appointed Person in *BRUTT Trade Marks* [2007] RPC 19 where he said:

*"Cross-examination*

23. It is the function of cross-examination to assist the tribunal to resolve conflicts of evidence. I agree with the hearing officer in thinking that cross-examination would have assisted him in the present case. It does not follow, however, that cross-examination is essential in a case where bad faith is alleged or that the tribunal cannot assess evidence or make findings of fact in its absence. Fairness requires that adverse findings should not ordinarily be made against a witness, such as a finding that he has acted in bad faith, without the witness having the charge put to him and being given an opportunity to answer it: see *Allied Pastoral Holdings v Federal Commissioner of Taxation* (1983) 44 ALR 607 at 623. It should be borne in mind, however, that in proceedings such as these evidence is served sequentially and that giving a witness a proper opportunity to deal with a point will not necessarily require cross-examination. More importantly, perhaps, if the opportunity for cross-examination is passed up, the consequence is that the tribunal must assess the evidence on that basis



rather than refraining from considering the evidence and reaching a conclusion. It is instructive to remember that OHIM and the courts in most civil law jurisdictions consider themselves perfectly well-equipped to make findings that parties have acted in bad faith without the benefit of cross examination.”

70) I accept that the opponent has not challenged the final statement of Mr Eisenberg. However, it is clear that throughout the proceedings the opponent has sought to show that the applicant was aware of its use of the same mark in the USA prior to the application in suit being filed in the UK. To accept the applicant’s contentions would lead to a situation whereby if the applicant in a Section 3(6) case files the last round of evidence denying the charge then they would win. This cannot be correct and does not reflect the logic of the Appointed Person decisions in both *Brutt* and *Extreme*. In *Extreme* the Appointed Person was considering a case where no evidence was filed by the opponent and so there was no challenge to the evidence of the applicant. The situation in the instant case is quite different in that having made the charge in its statement of grounds, the opponent has provided evidence in support of its objection and has challenged the evidence of the applicant. The fact that the applicant has effectively repeated its evidence in the last round which has not been responded to cannot invalidate the previous challenges. It cannot be enough to state that as cross examination has not been requested and the applicant has managed to have the last word, that all of the other evidence should not be carefully considered and weighed. I shall therefore consider all the facts and contentions filed by the parties and reach a determination.

71) In my opinion, the relevant facts in this case are:

- The opponent launched its product LEUKIC in the USA in December 2005 with advertisements in magazines and on the internet. It followed its earlier product GAKIC and could be “stacked” with this initial product to provide greater gains for the bodybuilder.
- The opponent has launched six new products in the USA over the last five years and on each occasion has then sold them in the UK. This trend is confirmed by an independent UK based distributor. Although no sales figures for the opponent’s products in the UK were provided, the applicant did not dispute the fact that the opponent is active in the UK market and that it sells products under the same trade marks in the UK and USA.
- By mid March 2006 an independent US based company had received ten orders for the opponent’s LEUKIC product from the UK. Shipments would appear to have started on 15 March 2006, albeit initially at a relatively low level.
- Whilst there are a number of UK produced magazines for bodybuilders (including UK versions of US magazines) and a greater number of “health” magazines, a number of US produced bodybuilding magazines are imported into the UK, although the circulation figures for these are not available. These imports carry the advertisements aimed at the US market.

- Individual bodybuilders state that they keep abreast of product developments in the USA as this is the leading market for bodybuilding products. They confirm the view that products that appear in the US are often then sold in the UK.
- The evidence regarding internet sites/chat rooms is, for the most part, inconclusive.
- The applicant company is the largest UK sports nutrition brand, and is increasingly focussed on mainstream sports and to a lesser degree on bodybuilding.
- Mr Eisenberg, states he is well known in the industry and that he has advised the UK government on supplements. He claims that he is “widely considered to be at the cutting edge of sports nutrition in Europe with regard to both new formulas and the legislation”. In his evidence to the House of Commons Mr Eisenberg showed that he was aware of legislative changes in the USA.
- The applicant had previously applied for four marks which had the word “KICK” as a second word in the mark, although in two instances it was joined to the first part of the mark by a hyphen. None of these four products contains ketoisocaproate acid. Subsequent to the instant application, it applied for three marks with the suffix “KIC”. These three products do contain ketoisocaproate acid.
- The term “KIC” has been used as early as 1998 as an abbreviation for ketoisocaproate acid, on a website connected to the applicant via Mr Eisenberg.
- The UK and USA markets have different regulations concerning nutritional supplements and labelling of such products.
- The applicant developed its LEUKIC product when its HMB product was ruled to be a medicine. This ruling was subsequently reversed and so the applicant is still selling its HMB product.
- Mr Eisenberg categorically denies that he was aware of the opponent’s product prior to the filing of the application in suit. He states that the mark was invented in collaboration with his Operations Manager, Mr Peters. Mr Eisenberg states that he has spoken to Mr Peters and that he (Mr Peters) was similarly unaware of the opponent’s product at the date of the application.
- Articles posted on the website “Zef Eisenberg’s Muscle Bulletin” show that the writer has knowledge of new products in the USA. However, Mr Eisenberg states that although he edits the bulletin he does not write all of the articles.
- The two parties have been in conflict previously when nine months after the opponent launched a product in the USA under the mark GAKIC, the

applicant filed for the marks GAKIC and MAXI-GAKIC with OHIM. The applicant subsequently withdrew its application for the mark GAKIC and is opposing the application for the same mark now lodged by the opponent in the instant case. Mr Eisenberg states that the opposition is based on the fact that GAKIC is “an everyday name for a particular nutrient and stands for Glycine-L-Arginine-alpha KeitoisocaproIC acid.”

72) From the above it is undisputed that the opponent has a history of developing products which it initially launches in its home market of the USA and then, usually months afterwards, offers for sale products under the same trade mark in the UK. In the instant case the opponent’s launched their LEUKIC product in the USA in December 2005 and sold their first product under the same mark in the UK in March 2006.

73) Mr Eisenberg has made various claims regarding his standing in the industry and his knowledge of the products and legislation of his industry. I fully accept that he is clearly very knowledgeable regarding his industry, proved by his evidence to Parliament. In this evidence he showed awareness of the nutrients and supplements industry in the USA. Although I accept that he does not write all the articles which appear on the website which carries his name, he acknowledges that he is the editor and reads all articles prior to their being posted. I therefore find his claim to be “on the cutting edge of sports nutrition in Europe with regard to both new formulas and the legislation” and his declaration that he does not monitor either the opponent company, a competitor in the UK, or its product launches in the USA, knowing that from past history they are soon after on sale in the UK, as inconsistent.

74) Nor do I accept that the adoption of the mark in suit by the applicant was simply an extension of its existing product names. Whilst the applicant had four products with the work “KICK” as the second element, the word was not an abbreviation of ketoisocaproate acid as these products do not contain this substance. The word “KICK” was used in its familiar meaning of to provide a stimulus or boost. I accept that KICK and KIC are aurally similar and do provide, on their own, a similar conceptual image. However, when used in LEUKIC it does not provide the same conceptual message as KICK when used in IRON-KICK. At paragraph 30, above Mr Eisenberg stated that “KIC stands for ketoisocaproate acid which is a keto acid of the amino acid Leucine”. The term LEUKIC does not appear to me to be an obvious method of describing the substance.

75) Much has been made of the history between the two parties. In my deliberations I have not placed much weight on this alone, although it does have a role in the overall picture. It does seem rather coincidental that the applicant independently has come up with the terms GAKIC and LEUKIC shortly after products under these marks were launched in the USA by the opponent. Particularly, when the applicant states that both are the natural terms which would be used for the products and one then considers what the products consist of; “Glycine-L-Arginine-alpha KeitoisocaproIC acid” and “ketoisocaproate acid which is a keto acid of the amino acid Leucine”.

76) ) The applicant contented that “even if someone at Maximuscle had known of the mark, that would not have made any registration a bad faith registration” and “the use

of an unregistered mark in the United States does not preclude its registration by a different entity in a different trading union or country”. I accept this premise as bad faith is not a carte blanche to enjoy trade mark rights across national boundaries. As was stated by the Hearing officer in the *Hankook* trade mark case (BL O/521/01):

“In considering the issue of ownership of a trade mark in a third country it is necessary to be circumspect. If any person in a third country could claim successfully that an application was made in bad faith simply because it consisted of his trade mark or was similar to his trade mark the long established geographical limitations of trade mark rights would be thrown into confusion.”

77) The issue I need to consider is whether the applicant had cause to believe that the opponent intended to enter the UK market under the mark in question and was seeking to pre-empt that occurrence for its own benefit. In DAAWAT B/L O/227/01 the Hearing Officer posed three questions:

“21. In order to make out a prima facie case of bad faith in this case the applicant must show that the registered proprietor:

- a) had knowledge of the applicant’s use of the mark DAAWAT in India prior to the date of its application for the registration of the same mark in the UK;
- b) had reasonable grounds to believe that the applicant intended to enter the UK market for rice under that DAAWAT mark;
- c) applied to register the mark DAAWAT in order to take unfair advantage of the applicant’s knowledge of the registered proprietor’s plans.”

78) In my opinion, it is clear from the evidence filed that the opponent has a history of launching products in the USA and at a later date offering products under the same mark in the UK, paragraph 7 sub paragraph 11 above refers. Given Mr Eisenberg’s pre-eminence in the industry, he would have been aware of the opponent’s usual business practice and of the launch of a new product such as the opponent’s LEUKIC in the USA. Despite Mr Eisenberg’s denial that he was aware of the opponent’s mark at the date that the applicant filed for registration, I find that the mark in suit was applied for in bad faith and so the ground of opposition under Section 3(6) succeeds.

## **COSTS**

79) As the opponent has been successful it is entitled to a contribution towards its costs. I take into account the fact that the opposition included a successful ground under section 3(6) whilst adhering to the scale of costs. I also take into account the considerable evidence filed, the issue of determining that US magazines were offered for sale in the UK and the extensive written submissions submitted. I intend to stay within the boundaries of the scale of costs used by the Registry but to award costs at the higher end of the scale. I award costs on the following basis:

Opposition fee	£200
Notice of opposition	£300
Considering the counterstatement	£200
Preparing and filing of evidence	£1,000
Considering applicant's evidence	£500
Written submissions	£500
<b>TOTAL</b>	<b>£2,700</b>

80) I order the applicant to pay the opponents the sum of £2,700. This sum to be paid within seven days of the expiry of the appeal period or within seven days of the final determination of this case if any appeal against this decision is unsuccessful.

**Dated this 4<sup>th</sup> day of May 2009**

**George W Salthouse  
For the Registrar,  
the Comptroller-General**